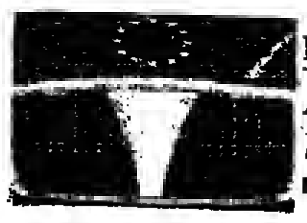

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Europe's car dealers lock horns

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Cuban squeeze

Why the future must be better

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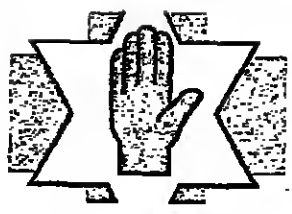

Peace in Ulster

Why Major is right to be cautious

Joe Rogaly, Page 12

TOMORROW'S
Weekend FT

Albania: land of survivors

FINANCIAL TIMES

Europe's Business Newspaper

FRIDAY SEPTEMBER 16 1994

D8523A

APV shares hit by competition from German company

Shares in APV yesterday fell from 118½p to 83p after the UK-based food processing equipment specialist cut its interim dividend and warned it faced growing pressure on profit margins.

APV blamed increasing competition on a recent push by GEA of Germany into the liquid food equipment market long dominated by APV itself and Tetra Laval, the Swedish food packaging and equipment group. Page 15; Lex, Page 14

Raytheon to shut UK operation: Raytheon of the US is to close the UK corporate jet business it bought from British Aerospace and transfer the work to Kansas with the loss of 850 British jobs over the next three years. Page 14

Russia's big earners and losers: Heads of Russian private and state enterprises are receiving substantial salaries even where factories under their control are technically bankrupt and workers are not being paid, according to government research. Page 14

Nuclear treaty opposition grows: Third world countries have signalled stronger than expected opposition to an indefinite extension of the nuclear non-proliferation treaty. The US considers prospects for an indefinite extension "reasonably good". Page 4

North election hopes could be hit: The chances of victory for Oliver North (left), Republican candidate in the Senate race in Virginia to be decided on November 8, could be weakened by the departure of independent candidate and former Democratic governor Douglas Wilder. Recent polls have suggested that if he had stayed in, Democratic divisions might have been enough to hand the race to North. Page 7

New French corruption probe: A judge issued an arrest warrant for Jean-Louis Dutaret, chairman of a state media holding company and close aide to former communications minister Alain Carignon, in the latest French investigation into suspected political corruption.

Nestlé, world's largest foods group, said net income in the first half edged up 1.7 per cent to SFr1.27bn ($930m) with growth depressed mainly by the strength of the Swiss franc. Page 15

Observers move to Serbia's borders: International observers begin operations today to ensure than Serbia's blockade of Serb-held territory in Bosnia is being maintained. Page 2

UK retail sales decline: UK retail sales turned downwards last month, prompting some commentators to ask if Kenneth Clarke, chancellor of the exchequer, had acted prematurely in raising bank base rates by half a point this week. Page 7

N Korea 'to seek compensation': North Korea wants several billion dollars' compensation for nuclear research and costs if it agrees to US demands to shut its reactors, a senior Pyongyang negotiator said. Page 4

SME sell-off closer: The final dismembering of SME, state-controlled Italian foods company, came a step closer when two rival groupings lodged bids for its supermarket and restaurant businesses. Page 15

Spanish budget doubts: Hopes in the market for a restrictive Spanish budget this month have been clouded by unexpectedly high prices coupled with a government promise to peg pensions and civil servants' wages to inflation. Page 3

Samsung, South Korea's leading electronics company, plans to produce semiconductors and home appliances in a $500m project in China. Page 6; Chaebol lead quest for growth, Page 18

Cyprus body identified as Danish woman: The body of a young woman found in a shallow grave in Cyprus was identified as that of a missing Danish tour guide. Three British soldiers are remanded in custody in connection with her death.

US farewell to Somalia: The US flag was lowered over the US liaison office in Somalia and the last Marine guards left the country, signalling the end to 21 months of American intervention. Page 4

Wartime bomb kills two in Berlin: At least two people were killed and six injured when a second world war bomb buried under a building site in a busy shopping street in Berlin exploded.

■ STOCK MARKET INDICES

FT-SE 100:	3112.7	(+32.9)
Yield	4.07	
FT-SE Eurotrack 100	1368.54	(+7.86)
FT-SE-A All-Share	1558.98	(+0.9%)
Nikkei	closed	
New York lunchtime:		
Dow Jones Ind Ave	3916.87	(+21.54)
S&P Composite	471.42	(+2.62)

■ US LUNCHTIME RATES

Federal Funds	4⅝%
3-mo Treas Bills: Yld	4.677%
Long Bond	98⅞
Yield	7.635%

■ LONDON MONEY

3 mo Interbank	5¾%	(5⅞%)
Life long gilt future:	Dec 98⅞	(Dec 98⅝)

■ NORTH SEA OIL (Argus)

Brent 15-day (Nov)	$15.77	(15.855)

■ Gold

New York Comex (Dec)	$391.9	(392.9)
London	$388.25	(390.5)

■ STERLING

New York lunchtime:		
$	1.56265	
London:		
$	1.5635	(1.5687)
DM	2.4183	(2.4116)
FFr	8.2741	(8.2522)
SFr	2.0076	(2.0008)
Y	155.381	(155.1)
£ Index	79.2	(Same)

■ DOLLAR

New York lunchtime:		
DM	1.54895	
FFr	5.2915	
SFr	1.28585	
Y	99.395	
London:		
DM	1.5467	(1.5374)
FFr	6.292	(5.2607)
SFr	1.284	(1.2755)
Y	99.39	(99.875)
$ Index	62.4	(62.1)

Tokyo closed

Austria	Sch32	Greece	Dr350	Malta	Lm0.60	Qatar	QR13.00
Bahrain	Din1.250	Hong Kong	HK$18	Morocco	MDh15	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30
Bulgaria	Lev80.00	Iceland	IKr215	Neth	Fl 4.25	Slovak Rp	KSL50
Cyprus	C£1.10	India	Rs60	Nigeria	Naira70	S. Africa	R12.00
Czech Rp	CZK30	Israel	Shk8.90	Norway	NKr17.00	Spain	Pta225
Denmark	DKr16	Italy	L3000	Oman	OR1.50	Sweden	SKr16
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30
Estonia	EKr20	Jordan	JD1.60	Philippines	Peso60	Syria	S£50.00
Finland	FM14	Kuwait	Fils625	Poland	Zl 38,000	Tunisia	Din1.500
France	FFr9.50	Lebanon	US$1.50	Portugal (mainland)	Esc225	Turkey	L30000
Germany	DM3.60	Lux	LFr65			UAE	Dh12.00

EU plans dumping duties on Asian TVs

Move likely to raise prices for European consumers

By Emma Tucker in Brussels and Guy de Jonquières in London

Provisional anti-dumping duties on colour television sets from five Asian countries and Turkey are likely to be announced shortly by the European Union, in a move which threatens to raise prices for European consumers.

The decision follows an investigation launched almost two years ago into small and portable television sets from Malaysia, Singapore, Thailand and Turkey, and big screen sets from the same countries plus China and South Korea.

Industry officials say the level of duty could be around 20 per cent for certain sets from Malaysia and South Korea and up to 30 per cent for sets from China and Thailand.

The companies that will be affected are the Japanese-owned Hitachi, Funai and Sanyo and the Korean-owned Goldstar and Samsung.

The UK vigorously opposed the move, saying it was not in the interests of Europe's consumers. However, the European Union is able to take a provisional decision on the issue without a vote from the member states.

The investigation was triggered by complaints from Philips of the Netherlands and Thomson of France, Europe's two largest consumer electronics companies. The companies believed that the manufacturers from the five Asian countries had achieved a sharp rise in their EU market share by pricing their televisions below the levels charged in their home markets.

The EU has four months to complete its investigation from the moment it imposes provisional anti-dumping duties, though it may request a further two months if necessary.

It must then either close the investigation or – if it decides that dumping has occurred – ask the Council of Ministers to authorise definitive anti-dumping duties.

These may vary from the provisional duties and may be applied retrospectively. Offending exporters may settle anti-dumping cases by agreeing to raise prices voluntarily.

The council's voting rules were changed earlier this year to require only a simple majority vote to impose dumping duties, instead of a qualified majority vote. The change was made at the insistence of France, which believed it would make it easier to protect European industries against low-priced imports, particularly from Asia.

Critics of anti-dumping policies have alleged that the methods used to compare prices in the EU and in exporters' home markets are opaque and arbitrary, allowing wide scope to determine that dumping has taken place, injuring local manufacturers.

According to Electronics Times, the trade magazine, the provisional duties on television sets will affect most of the countries under investigation. However, some companies will be exempt, including those which co-operated with the EU's inquiries.

European-owned manufacturers of television sets still dominate the EU market, though Philips and Thomson produce sets in Asia as well as in Europe.

The investigation took over 18 months to complete because of the large number of companies involved, and because of the difficulty of making proper price comparisons.

Wallenberg warns on Sweden's debt

By Hugh Carnegy in Stockholm

Mr Peter Wallenberg, Sweden's most powerful industrialist, yesterday called for deep spending cuts to tackle the country's mounting state debt, saying that further deterioration could "in the worst case" lead to pressure on Wallenberg companies to move their headquarters overseas.

Mr Wallenberg's warning, given in a newspaper interview, came three days before a general election in which the main issue has been the extent of spending cuts to the country's extensive welfare system. These are required to curb the budget deficit and control a public debt running at close to 100 per cent of gross national product.

His call followed a similar intervention earlier this week by the chiefs of Volvo, Ericsson, Stora and the Swedish division of ABB, the country's four biggest exporters. They warned that new investments of up to SKr50bn ($6.7bn) a year were at risk if higher tax levels made Sweden less competitive. Ericsson, Stora and ABB all fall within the Wallenberg sphere of influence.

Mr Wallenberg said if the deficit was not controlled there was a risk that Sweden's credit rating would be lowered. In that case, Swedish companies would be under pressure to relocate to secure lower interest rates on funding.

"It can in the worst case make it difficult for us to stay in Sweden," he told Expressen newspaper. He said the government needed to take "a motor-saw" to state spending. "If the politicians do not take the situation seriously with substantial measures against the budget deficit things will go badly," he added.

The highly unusual interventions in the election campaign by Sweden's top industrialists are widely seen as aimed against the opposition Social Democratic party, which is expected to lead the new government. Business leaders have been strongly critical of the party's emphasis on tax increases to match spending cuts as a way to cut the deficit.

Latest polls show a shift towards the right-centre coalition of Mr Carl Bildt, the prime minister. But it is not clear to what extent the industrialists' interventions are responsible for the tilt. The Social Democrats believe the business leaders may instead have irritated many voters.

Mr Wallenberg's advisers were at pains to deny he had intended any threat to voters about how they should vote – or that he was suggesting the whole Wallenberg empire might move abroad.

Small parties hold key, Page 2
Observer, Page 13

Threat of US-led Haiti invasion intensifies

Haitian paramilitary recruits train in front of the Presidential Palace in Port-au-Prince as the threat of a US-led invasion to restore exiled president Jean-Bertrand Aristide intensified. US defence secretary William Perry announced the call-up of about 1,700 reservists – mainly military police and medical and tactical airlift personnel – in preparation for military action against the ruling junta Report, Page 14 Picture: AP

Lufthansa to spin off services into profit centres

By Christopher Parkes in Frankfurt

Lufthansa, Germany's flag-carrier airline, is to spin off its cargo, aircraft maintenance and information technology services into three independent profit centres with effect from January 1.

Announcing the final stages of a reorganisation started three years ago, the airline said EDS, the General Motors subsidiary, would take a 25 per cent stake in and share management control of the information subsidiary, Lufthansa Systems.

The new business would be launched with a contract worth up to DM300m ($195m) to supply Lufthansa with all its information technology resources for at least three years, according to EDS officials.

As with the other new companies, Lufthansa Cargo and Lufthansa Technik, it would be expected to develop profit sources outside the group, aiming to provide "packaged" services to the travel and transport industries.

As a legally independent company, Lufthansa Technik would have a "good chance" of keeping its place in a market characterised by over-capacity, newcomers and mergers, according to the airline's internal newspaper.

Heavy cost pressure could only be countered by more flexible actions than were possible at present within the group organisation, it added. The cargo company would absorb all the group's interests in the sector.

Lufthansa AG, the holding company, would in future concentrate on mainstream passenger airline business and provide the central management function to the group, which also includes the Condor charter flight and LSG catering businesses.

Next Tuesday, subscriptions open for a rights issue – which marks the start of the airline's privatisation. The Bonn government, which currently owns 51.4 per cent of Lufthansa, will not take up its rights and will thus dilute its stake to little over 40 per cent.

Mr Jürgen Weber, chairman, since September 1991, said the

Continued on Page 14

ITT plans to raise $4bn by selling financial subsidiary

By Richard Tomkins in New York

ITT, the US conglomerate which has been cited as a possible buyer of General Electric's NBC television network, is planning to raise up to $4bn by selling its financial services subsidiary.

Although ITT refused to comment publicly on the divestment, it is believed that the company has decided to fund a big push into the leisure and entertainment industry by selling ITT Financial, a middle-ranking US finance company.

ITT hopes the sale will bring in between $3bn and $4bn. That would go a long way towards matching the sum of nearly $5bn that Walt Disney, the US entertainment group, is reported to have offered GE for NBC.

Alternatively, ITT could offer its financial services division to GE in part exchange for NBC. GE might be interested in such a deal because GE Capital, its financial services arm, is in some of the same business areas as ITT Financial.

ITT Financial offers a range of financial services to businesses and individuals, including commercial equipment and real estate loans, small business loans, home mortgages, consumer loans and related insurance products. Last year it made net profits of $205m on revenues of $1.44bn.

The parent company is understood to be selling ITT Financial because it wants to achieve a more even balance between its financial services operations – also comprising the Hartford insurance group, which is not being sold – and its other two main activities: leisure and entertainment, including the Sheraton hotels group, and manufacturing, including an auto parts business that makes antilock braking systems.

ITT's reported interest in NBC is the latest in a series of moves aimed at expanding the group's leisure and entertainment interests.

Last month, in partnership with Cablevision Systems, a US cable television company, it bought the Madison Square Garden sports and entertainment complex for $1.1bn, and the company is currently in the process of taking over Ciga, the Italian luxury hotels group.

Other recent moves include the unveiling of plans earlier this year for a $750m, 3,500-room

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© THE FINANCIAL TIMES LIMITED 1994 No 32,473 Week No 37 LONDON · PARIS · FRANKFURT · NEW YORK · TOKYO

Single market still to find full harmony

By Emma Tucker in Brussels

Europe's single market will remain incomplete without a new round of harmonisation legislation, a report said yesterday. The European Union's Economic and Social Committee identified 62 obstructions to the free movement of goods, services, people and capital in a report on the functioning of the internal market, concluding that a "vigorous programme be adopted to eliminate all remaining obstacles".

Of the obstacles identified, half related to the free movement of goods, 15 to the movement of private services, 13 to the free movement of people and two to the free movement of capital. The failure of member states mutually to recognise each other's standards in those areas where no EU legislation exists remains the biggest block to the free movement of goods, according to the 200 responses from industry, consumers and trades unions.

Areas such as food additives, nutritional labelling, electrical goods and the weights and dimensions of vehicles were particularly problematic, the report said.

It also pointed out that product safety markings were interpreted differently between member states, while varying testing requirements made additional tests necessary on certain imported goods.

The committee also recommended greater harmonisation of environmental standards to avoid the problem of "environmental nationalism". The report found that environmental regulations were frequently acting as non-tariff barriers, particularly in the chemical and packaging industries.

Many of the survey's respondents argued for greater regulation in financial services, particularly in the granting of mortgages where the taxation rules of certain member states effectively prevented cross border transactions. For example, the report recounted the case of one person taking out a mortgage with a company in another member state and not being allowed to offset the interest payments against taxation, which would have been possible if the mortgage had been taken out in the home state.

Another problem area is insurance, an area opened up just two months ago. The survey found that huge discrepancies remained in the taxes levied on insurance policies.

The report also found significant obstacles to the free movement of people, in particular the failure of states to recognise each other's professional qualifications. Differing social security regimes are also an impediment.

The biggest complaint regarding the free movement of capital was that cross border payments take too long and are too expensive.

Mitsotakis faces bribe charge

Greek MPs set to indict former premier

By Kerin Hope in Athens

The Greek parliament was yesterday expected to vote in favour of indicting Mr Constantine Mitsotakis, the former conservative prime minister, on charges of accepting a bribe and breach of trust in the sale of Heracles General Cement to Calcestruzzi of Italy in 1992.

Mr Mitsotakis, now a backbencher, is accused of taking a $22.5m (£14.5m) bribe to expedite the sale of the company to Cal-Nat, a joint venture between National Bank of Greece and Calcestruzzi, the construction arm of the Ferruzzi group.

The joint venture paid $225m to acquire Heracles, the largest cement exporter in Europe, in the only big privatisation deal to proceed while the conservatives were in power.

If the indictment goes through in a secret ballot to be held at midnight in the 300-member chamber, the former prime minister will be tried by a special criminal court consisting of 13 senior judges.

Two other former conservative cabinet ministers, Mr Andreas Andrianopoulos, who as industry minister headed the government's privatisation programme, and Mr Ioannis Paleocrassas, the ex-finance minister, are accused of breach in trust in the Heracles sale.

Mr Mitsotakis denied the charges in parliament yesterday, saying the governing socialists' decision to investigate the Heracles sale "was motivated by purely political reasons".

The case is widely seen as an attempt by the socialists to take revenge on Mr Mitsotakis and his New Democracy party for taking Mr Andreas Papandreou, then the opposition leader, to court in 1991 on corruption charges arising from a $200m embezzlement scandal at the Bank of Crete.

Mr Papandreou, who refused to attend the proceedings, was acquitted by a special court.

The case against Mr Mitsotakis and his former cabinet ministers has triggered a crisis in the New Democracy party, which was divided over whether to support the former prime minister at yesterday's debate on the charges.

Privatisation proved a contentious issue for New Democracy while it was in power.

It was opposed by the party's present leader, Mr Miltiades Evert, and contributed to New Democracy's fall from power last year, when a group of conservative MPs opposed to the planned disposal of OTE, the state telecoms company, defected from the party.

Small parties hold the key to Swedish political fortunes

SWEDISH ELECTIONS
September 18

With opinion polls showing Sweden's Social Democratic party slipping well below the level of support it needs to win a majority in Sunday's general election, the shape of the new government is likely to depend on the performance of half a dozen small parties, writes Hugh Carnegy in Stockholm.

The Social Democrats, rulers of Sweden for all but six years in the last six decades, look set to rebound from their performance in the 1991 general election, when they won only 37.7 per cent of the vote (latest polls indicate their support is now 43-47 per cent), while the conservative Moderate party of Prime Minister Carl Bildt, even if they do better than in 1991, are unlikely to reach 25 per cent.

Mr Ingvar Carlsson, Social Democratic leader, is therefore favourite to form the next government. But the final outcome will be dictated by the strengths of six other parties, particularly by whichever of them succeeds in overcoming the barrier of 4 per cent national support required to enter the Riksdag (parliament).

Carl Bildt: the odds remain against premier

Lydia van der Meer

Mr Bildt is hoping that signs of a last-minute tilt to the right in two polls this week – and pollsters say many voters have yet to make up their minds – will be sufficient to cancel out an earlier strong leftward trend and enable him to reform his right-centre minority coalition with the Folk party (known in English as the Liberals), the Centre party and the Christian Democrats.

However, the polls suggest the Christian Democrats, elected to parliament for the first time in 1991, may not get back in. Furthermore, all the indications are that the populist right-wing group New Democracy – which has given the government a vital cushion of support – will also be excluded from the Riksdag after suffering a fierce internecine war.

Instead, the Environment party, which fell out of parliament in 1991, appears set to return and is pledged to try to block any new Bildt-led government.

The odds, therefore, remain against Mr Bildt, barring a late, powerful swing to the right. But the outlook is still worrying for Mr Carlsson. Although Social Democratic governments have, for most of the past 40 years, depended on the left for a parliamentary majority, he is reluctant to do so this time, chiefly because of hostility within the left and Environment parties towards the tough economic policies now needed to close the gaping budget deficit and calm financial markets.

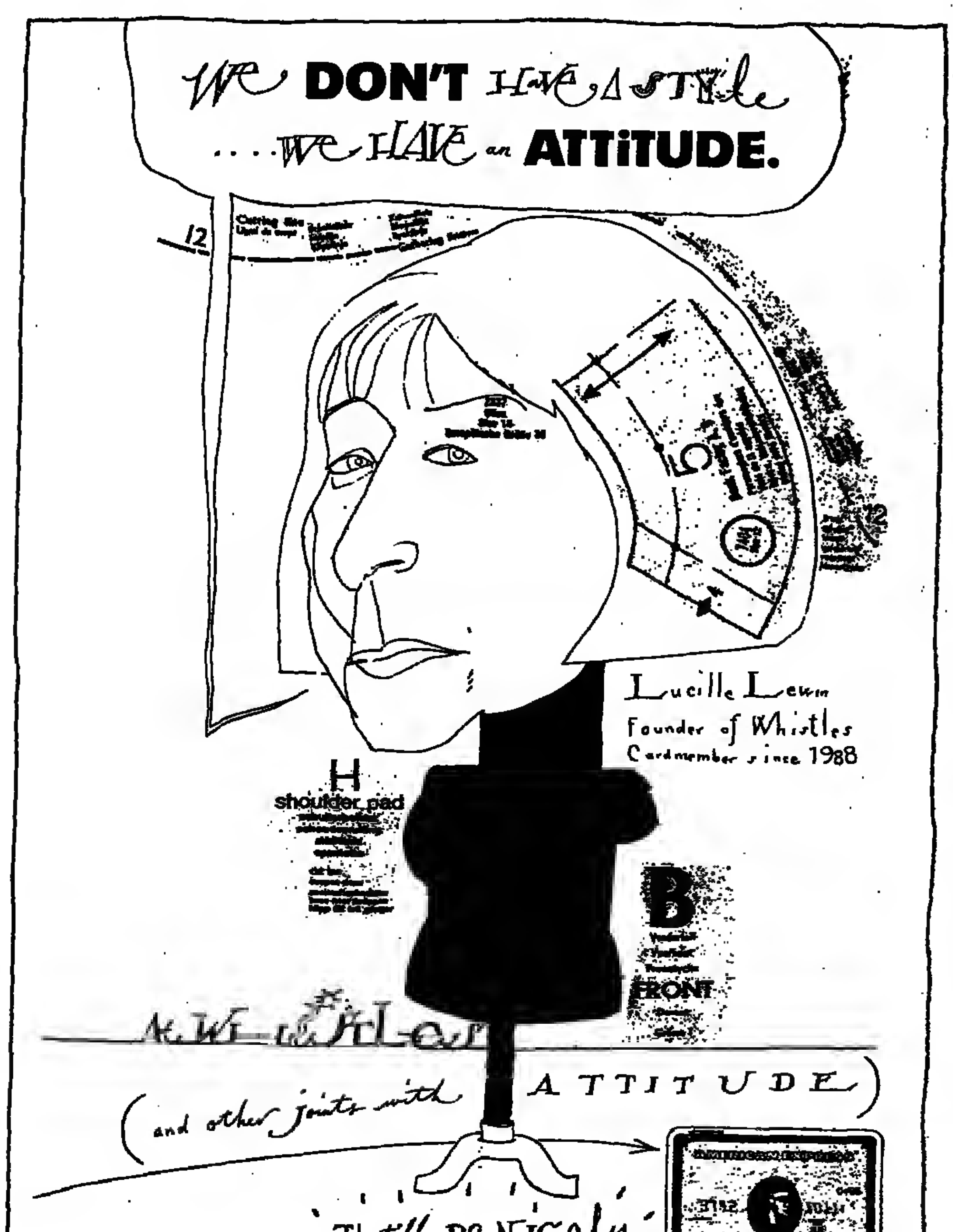
Both the left and Environment parties are also strongly against Sweden's attempt to join the European Union, which the Social Democrats support and which will be voted on in a referendum in November. Mr Bildt seemed to strike a chord with voters when he called the prospect of a Social Democrat-Left-Environment alliance "a red-green mess that would be black for Sweden".

Hence, Mr Carlsson has raised the possibility of an alliance with the Liberals, or perhaps the Centre party. On the face of it this would provide a stable government likely to produce an economic package sufficient to reassure the markets.

Both the Liberal and the Centre parties have in the past co-operated on economic policies with the Social Democrats. But a formal coalition of that type would be a new departure.

Mr Bengt Westerberg, the Liberal leader, has indicated he would be ready for such a coalition, but many in his party are sceptical. Among them is Mrs Anne Wibble, the finance minister, whose father, Mr Bertil Ohlin, fought many long and bitter battles with the Social Democrats when he was Liberal party leader.

It may therefore not be immediately clear after results are declared on Sunday night exactly what shape the new government will take. If that is the case, the markets will be braced for another burst of turbulence on Monday to follow the interest rate rises and currency slides that pre-election uncertainty has prompted over the past two months.



Observer team moves on to Serbia's borders

By Paul Adams in Belgrade

The vanguard of a 135-strong group of international observers is to begin operations today to ensure that Serbia's embargo of Serb-held territory in Bosnia is being maintained.

If the team confirms that the blockade, imposed at the beginning of August, is genuine then the UN Security Council will almost certainly respond by easing sanctions against Serbia and Montenegro.

The team, led by retired Swedish general Bo Pellnas, met Serbian officials for talks in Belgrade yesterday which focused on where the inspectors would be placed and the nature of their powers.

Speaking in Geneva on Wednesday, the international mediator, Lord Owen, said the team – not officially termed "observers" or "monitors" in deference to Serbian sensibilities – would keep a low profile.

"We don't want them to be terribly visible," Lord Owen said, adding it would be up to Serbian and Montenegrin officials to carry out physical checks. There would be no challenges to trucks crossing the border into Bosnia without the co-operation of local officials. "Otherwise, we are putting their lives at risk," Lord Owen said.

Despite the restrictions, Lord Owen told reporters: "We are satisfied [the mission] will be able to make sure that only humanitarian supplies are going across."

He warned that the team would be withdrawn if there were any doubts that the Serbian authorities were complying but stressed that they had every interest in co-operating. "If everyone is satisfied, it is agreed there should be a relaxation of sanctions," he added.

"We would very much appreciate to do our work without the world media on our back," said Gen Pellnas after the Belgrade talks. He refused to say where his men would be stationed.

The state-controlled media in Belgrade describes the mission as "a group of humanitarian civilians" to assist in the improved provision of aid to the people of Bosnia-Hercegovina. The fact that the group's real purpose is to monitor observance of an embargo against the Bosnian Serbs is conveniently ignored.

Opposition leaders have attacked Serbian President Slobodan Milosevic for agreeing to allow inspection of a border which, they argue, merely divides fellow Serbs.

There are no great hopes that the blockade, or its inspection, will cause Bosnian Serbs to reverse their opposition to the peace plan proposed by the five-member international Contact Group. Lord Owen said the mission was not trying to force an immediate "change of heart" among the Bosnian Serbs.

Efforts have meanwhile been made to shore up a shaky alliance between Bosnia's Moslems and Croats.

Croat and Moslem leaders, meeting in Zagreb on Wednesday, agreed to open a key road between the two republics and to establish joint authorities in parts of the Moslem-Croat federation.

The federation was formed in March, but the two erstwhile enemies have yet to implement much of the agreement. Observers fear that rising tensions among Croats and Moslems could degenerate into another round of hostilities.

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EUROPEAN NEWS DIGEST

Italians rush to take retirement

Italian workers are rushing to take early retirement because of fears of sharp cuts in pension benefits in the 1995 budget. State pensions bodies have so far this year received retirement requests totalling 460,000, nearly double the number in the whole of 1993. The conservative government of prime minister Silvio Berlusconi, which has pledged to take action to reduce state spending and debts, has focused on the generous and much-abused pensions system. The government, which must present its 1995 budget to parliament before the end of this month, plans deficit cuts of at least L45,000bn (£18.5bn), including up to L9,000bn from pensions. Italians are able to retire on up to 80 per cent of their final salary. Men retire at 61 and women at 56. Italy has some 20m pensioners, just over one in three of the total population, with over a third of the state's total annual expenditure used to cover the cost, with payments far exceeding contributions. *Reuter, Rome*

Russia's decline to slow

Russia's economic decline will slow significantly next year, although the country still will be in a "depression phase", according to Mr Victor Gerashchenko, chairman of the Central Bank. He predicted that gross domestic product would contract 4.7 per cent next year, much less than the 19 per cent decline expected for 1994, the Interfax news agency reported. Industrial production would fall 15 per cent in 1995, after a decline of about 25 per cent this year. Mr Gerashchenko noted that inflation would continue its gradual decline next year, falling from 5-6 per cent a month early in 1995 to 3-4 per cent by the end of the year. In August, inflation fell to a record low of 4 per cent a month, but the government still is targeting 7-8 per cent for the end of 1994. Mr Gerashchenko, who was speaking at a banking conference in St Petersburg, said that the budget deficit this year would amount to about 8 per cent of gross domestic product. Last year, the deficit was 9.8 per cent of GDP. *AP, Moscow*

French pilots suspend strike

Pilots at Air France have suspended a strike planned for today and tomorrow and will continue to negotiate with management at the loss-making state-owned airline about ways to reach productivity targets. Air France said that all flights would consequently operate normally. The SNPL, SPAC and SOMAC pilots' unions at the airline said they had agreed to re-enter discussions on contested proposals to achieve a 30 per cent productivity increase by 1997. The unions had accepted the productivity targets but rejected management proposals to achieve them. In particular, they opposed a reduction in flight bonuses. The productivity targets are part of a rescue package being implemented by Mr Christian Blanc, the airline's chairman. He says they are a central element in curbing losses at the company, which reached FFr8.48bn (£1.08bn) last year. Air France said that the negotiations would be conducted on the basis that overall salaries would not be reduced and that flight premiums would be maintained. Pilots are expected to make more flights as part of the measures. *John Ridding, Paris*

More aid for eastern Germany

The German government yesterday said it would create a new DM500m (£207m) fund to provide subsidised, long-term loans to eastern German companies. It also presented new tax incentives designed to encourage investment in eastern Germany. Companies selling stakes in German companies would not have to pay tax on their profits if they reinvested the money in eastern Germany, said Mr Günter Rexrodt, economics minister, after industrialists and trade unions met Chancellor Helmut Kohl to discuss the state of the eastern German economy. While Mr Kohl insisted there were signs of the "flourishing landscape" which he promised to create in the five eastern Länder, the opposition Social Democratic party accused the chancellor of "resounding complacency" and of destroying eastern Germany's industrial base – which now produced around a third of what it did in 1989. The Federation of German Industry (BDI) also urged new initiatives to support the Mittelstand or medium-sized companies in eastern Germany, saying they were going through a critical phase. *Michael Lindemann, Bonn*

Bank strike planned in Italy

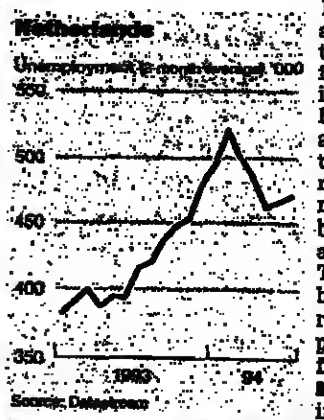
Banking activity throughout Italy is expected to be paralysed by a day-long strike today of 330,000 employees protesting at the failure to renew a wage and work conditions contract that expired in December 1992. Several other groups of workers are also in the process of renewing their contracts after suffering effective loss of earnings over the past two years of recession. Yesterday 140,000 workers employed in local transport staged a 24-hour stoppage over the failure to renew a contract that lapsed at the end of 1991. In both instances the strikes are centred less on wage increases and more on improving conditions of employment and ensuring new investments. The bank employees are resisting employers' demands for more flexible working hours and a shake-up in promotion procedures, which employers have linked to higher pay. Negotiations broke down in July. The local transport workers are concerned to ensure the government makes an effort to tackle the transport authorities' high level of debt. *Robert Graham, Rome*

Media chief to face probe

Mr Jean-Louis Dutaret, head of a state media holding company, has been detained for questioning by a judge investigating the possibility of a link between the financing by water company Lyonnaise des Eaux of newspapers supporting Mr Alain Carignon's re-election as mayor of Grenoble and the fact that this company subsequently won a contract to run Grenoble's water service. Mr Dutaret, the head of Sofirad which manages various state holdings in broadcasting stations including Radio Monte Carlo, was a close aide to Mr Carignon, who resigned in July from the post of communications minister to contest charges of receiving the proceeds of a corporate fraud. Mr Philippe Courroye, the Lyons judge investigating the case, is said to want to question Mr Dutaret about the possibility that he was a go-between in the affair. *David Buchan, Paris*

ECONOMIC WATCH

Dutch unemployment rises



Dutch non-seasonally adjusted unemployment rose to an average 470,000 people in June-August from 465,000 in May-July, the Central Bureau of Statistics announced. The bureau said the increase in the number of registered unemployed was normal for the time of year, because of the entry of graduates into the labour market. The quarterly totals have been increasing at a slower rate since hitting a nine-year peak of 520,000 people in the first quarter of 1994.

■ Sweden's consumer price index was unchanged in August from July. Monthly figures brought the year-on-year inflation rate to 2.7 per cent in August, down from 2.9 per cent in July.

■ Finland's underlying rate of inflation rose to 1.4 per cent year-on-year in July from 0.9 per cent in June.

■ Polish consumer prices rose 1.7 per cent in August after a 1.5 per cent rise in July, but year-on-year inflation fell to 32.2 per cent from 32.8 per cent.

Concern grows over pension and wage pledge

Spanish markets worried over budget

By Tom Burns in Madrid

Unexpectedly high prices in Spain coupled to a government promise to index pensions and civil servants' wages to inflation have raised doubts in financial markets over Madrid's ability to deliver a restrictive budget this month that will reduce the public deficit.

The market has pushed long-term interest rates above 11.4 per cent this week, the highest level since February last year and one that represents a spread of some 400 basis points against Germany.

"Spain is under suspicion," said Mr Henrick Lumboldt, head of fixed income research at Madrid securities house FG. "If there is a market sell-off, Spain is going to be sold more aggressively."

Mr Pedro Solbes, the economy minister, echoing a more sombre mood about the domestic economy, was reported yesterday as saying a reduction in interest rates was "now more difficult" and he "hoped they will not have to rise".

Only a week ago Mr Solbes had forecast lower interest rates – the benchmark intervention rate set by the Bank of Spain has stood at 7.35 per cent since early August – before the end of the year. The minister's changed predictions came after an unexpectedly high 0.6 per cent rise in August's consumer price index, which put year-on-year inflation at 4.8 per cent and accumulated 1994 inflation at 3.2 per cent, just short of the 3.5 per cent target for the year's end.

Although the economy ministry, which is due to deliver its 1995 budget this month, is officially sticking to a restrictive policy that will reduce the public deficit by a full point to represent 5.9 per cent of gross domestic product, the market appears to already be discounting a loosening of the professed tight monetary guidelines.

The market perceptions are likely to be heightened following guidelines announced this week on pensions and civil servants' pay. Mr González said in parliament that Spain's nearly 7m pensioners, whose retirement pay this year has been based on the 3.5 per cent CPI rise projection, will be fully compensated for what now seems likely to be an inflation rate of around 4.3 per cent at the end of the year.

Pedro Solbes: sombre mood

The government has also agreed to link salary increases for Spain's 2m civil servants to inflation over the next three years starting in 1995. The agreement with unions includes an undertaking to make up for a wage freeze on civil servants' pay over the past two years with increased pay awards in 1996-1997.

The open-handed policy to both pensioners and civil servants has prompted speculation that prime minister Felipe González, who was re-elected in 1993 for a four-year term just as Spain dipped steeply into recession, could be laying the groundwork for a snap election next year, when the economy is forecast to recover rapidly and grow by as much as 2.5 per cent.

"The government looks as if it is throwing caution to the winds and risking a 'stop-go' economy," said Mr Lorenzo Bernaldo de Quirós of Madrid economic consultants Global Research. "There are a lot of inflationary tensions and restrictive policies should be kept in place longer."

Kiev ministers poised to clinch deal with IMF

By Matthew Kaminski in Kiev

Ukraine is on the verge of reaching its first agreement with the International Monetary Fund, a step which could unlock the $4bn (£2.5bn) in aid promised by the Group of Seven leading industrial nations, senior Ukrainian and western officials said this week.

Ukrainian cabinet ministers said they believed the country could reach a preliminary agreement with the IMF on an initial $700m loan to stabilise the economy by the end of the month. An agreement with the IMF would be the strongest signal so far that Ukraine, one of the weakest economies in the region, is about to attempt a radical economic transformation.

"We have a plan that will meet IMF conditions," said Mr Roman Shpek, the reform-minded economy minister who is spearheading Kiev's negotiations with the Fund. "There is now enough political will in Ukraine."

Western diplomats said Ukraine could reach the preliminary agreement with the Fund as soon as next Tuesday. Final approval would come at the IMF's summit in Madrid next month.

To meet IMF conditions Ukraine, which has one of the least reformed economies in the region, must liberalise prices, reform the currency, overhaul its restrictive taxation and trade policies and slash its budget deficit from its current high of 20 per cent of GDP to 10-12 per cent.

But if Kiev takes these difficult steps, the talks with the IMF and parallel negotiations with the World Bank to release a $400m rehabilitation loan could be the beginning of the first serious attempt to implement market reforms since Ukraine became independent nearly four years ago.

Some western politicians and economists, many of whom had dismissed Ukraine as an economic basket case, have begun to argue that if Ukraine chooses to reform it should be supported with substantial western assistance. The $4bn, pledged at the G7 summit in Naples in July, was the first concrete move in this direction.

"I just can't believe that the west would miss this chance," said Mr Jeffrey Sachs, the Harvard economist who advised Poland when it pioneered "shock therapy" reforms nearly five years ago. "You have a classic situation in Ukraine where you could have a very good programme or the opportunity could be lost. But they need a push from President Clinton and Chancellor Kohl."

However, if President Leonid Kuchma's administration chooses to push for radical economic reforms it could face tough opposition from Ukraine's communist-dominated parliament, where MPs from the rust-belt in the east of the country have a powerful voice.

Although Mr Kuchma has already demonstrated a greater willingness to over-rule parliament by exercising the president's right to issue decrees, he is expected next Tuesday to ask the legislature to lift its moratorium on privatisation. Within the next few days his advisers say he will also present a comprehensive economic reform plan to the parliament.

Moreover, Prime Minister Vitaly Masol, an appointee of the previous president, has openly opposed reforms. But some western observers believe that Mr Kuchma, who has been quietly moving his own, more reformist, allies into the cabinet, may be trying to isolate and eventually sack Mr Masol.

These political uncertainties, and lingering doubts about Mr Kuchma's own commitment to reforms, have prompted some leading Ukrainian politicians to urge the west not to give aid to Ukraine until it acts on its reformist promises.

"Ukraine is like an alcoholic asking for a loan to buy more vodka," Mr Viktor Pynzenyk, one of the leading advocates of radical reforms in the parliament, said. Before giving Ukraine financial assistance, he warned senior World Bank officials at a meeting last week, they must be confident that the government had "kicked the state out of the economy".

Crimea's vice-prime minister, Mr Yevgeny Saburov, yesterday resigned in the wake of a confrontation between President Yuri Meshkov and the parliament of the autonomous Ukrainian peninsula, dealing a further blow to the president, writes Matthew Kaminski. Mr Saburov, a former Russian economics minister, said he did not "see the possibility of working further in a constructive way if this situation continues".

Mr Saburov's appointment, along with other "Moscow experts", to head the contested region's government was, ironically, resented by parliament, a pro-Russian chamber dedicated to breaking from Ukraine. Mr Meshkov appointed Mr Saburov to revive economic links with Russia, although stopping short of complete independence from Ukraine.

Mr Meshkov, his position uncertain, told the Interfax news agency he would defend the Saburov government against parliament. Last Sunday he suspended parliament but ended the lock-out two days later. Ukrainian President Leonid Kuchma's special envoy, Mr Yevgeny Marchuk, arrived in Simferopol yesterday to try to settle the dispute.

Revenge of the Armenian diaspora

Steve LeVine on a decisive force in the long territorial war with Azerbaijan

Until a year ago, two Californian men cut among the boldest images to be seen in Armenia's long separatist war with Azerbaijan, careening around the battlefield in a jeep with "Crusaders" emblazoned across the doors and fighting harder than many local comrades.

The pair was there as the Armenians penetrated deep into neighbouring Azerbaijan, grabbing a towering advantage over the enemy. One of them, an import-export trader named Mr Garo Kakhejian, was even suspected by the FBI of running guns to the homeland to buttress the Armenians' effort.

Now, with a tense ceasefire holding since July, the Armenians seem poised to gain suzerainty over the patch of Azerbaijan for which they have fought since 1988; Azerbaijan, which has lost more than a fifth of its territory and been pushed to the brink of disintegration, appears ready to offer Armenia a political settlement in peace talks that hava narrowed to one or two differences.

Armenian militants: support of Armenians all over the world has turned the war in their favour

But only one of the Californians will be around to savour the apparent triumph; Mr Kakhejian, 31, was killed by a sniper in June 1993.

Now his buddy fights on alone.

"I'm not a Rambo. I'm not a trained specialist, but I do my best," says Mr Chahe Ajamian, 32, at his friend's grave. . . . We have one slogan: 'Death or Freedom'."

If the Armenians do ultimately carve out an independent region of Azerbaijan for themselves, as seems probable, it will be largely a result of the efforts of zealous diaspora Armenians such as the California pair. The world's 8m-strong Armenian diaspora community, concentrated in the US cities of Boston, Fresno and Los Angeles, and in Paris, Beirut and Damascus, has been the war's key private backer.

Responding to the Armenians' demand for independence in a tiny, kidney-shaped Azerbaijan region called Nagorno-Karabakh, diaspora groups have raised millions of dollars a year in telethons, political fund-raising drives and individual donations. In one California telethon alone in February, the radical, Athens-based Armenian Revolutionary Federation raised $1.5m, according to a group spokesman.

The donations have helped break an Azerbaijan blockade of Armenia, financing food and clothing, but also arms, ammunition, communications and other equipment. The result has been to underpin Armenia's dramatic shift from a rearguard defence of Nagorno-Karabakh two years ago to its vast advantage today.

The success of the Armenian diaspora illustrates an outgrowth of Europe's post-cold war rash of nationalist wars. This has been an increase in the power of diaspora groups – especially from eastern Europe and former Soviet bloc nations such as Ukraine and the Baltics – to influence politics in the western countries where they live, and in the nations from which they emigrated.

A decade ago, Armenian diaspora organisations were near political pariahs in Europe and the US, as Armenian extremists went on a 10-year terrorist streak in which 41 Turkish diplomats around the world were slain.

Now, groups such as the Armenian Assembly of America and the Armenian Revolutionary Federation, known as "Dashnak", operating in the US Congress, the United Nations and the Elysée, are among the world's most sophisticated political lobbyists, according to western political analysts and diplomats. Their influence has almost entirely overshadowed Azerbaijan's thus-far feeble efforts in Washington.

Nagorno-Karabakh has been a binding glue for the diaspora, which grew up after the 1915 massacre of up to 1m Armenians in Ottoman Turkey.

Armenian groups, for example, have claimed credit for the US Congress's decision to single out Azerbaijan for Washington's only sanctions in the ex-Soviet Union; the 1992 Freedom Support Act bars all but humanitarian aid to Azerbaijan because of its blockade of Armenia. Meanwhile, Armenia was allocated $195m in 1993 US aid, second only to Russia among ex-Soviet states.

Analysts say the lobby has been especially skilfull in targeting campaign contributions. One of its strongest supporters, the Democratic congressman Mr Joseph Kennedy II, for example, received more than 10 per cent of his 1994 individual campaign donations from Armenian contributors, according to public records in Washington.

"There is a real sense in the [US government] agencies that Armenia absolutely must not be slighted," says Mr Corbin Lyday, of the Stanford-Berkeley Department of Soviet and post-Soviet Studies.

The war has its roots in Josef Stalin's divide-and-rule tactic of shifting entire ethnic populations on to others' lands, or awarding one people political control over land populated by a rival nationality. In 1923, Stalin laid the seeds for today's war by placing the Nagorno-Karabakh Armenians under Azeri control.

In 1988, the Armenian population openly rebelled, alleging decades of discrimination against its language and culture, and the fighting has escalated steadily since. In July, Moscow brokered a truce, and has proposed that Russian troops form a cordon between the two sides.

Peace talks have narrowed to two questions – who will control a strategic corridor between Nagorno-Karabakh and Armenia proper called Lachin, and a town called Shusha, to which both sides claim a sentimental attachment. The Armenians now control both and, since Azerbaijan has few bargaining chips aside from hoped-for leverage from Moscow, the chances are that the Azeris will not regain control over either.

The diaspora's most important assistance has come on the battlefield itself. The Armenians' weapons and ammunition caches far outstrip their obvious resources; diaspora groups are responsible for supplying a significant part of the materiel, and Moscow the remainder, western analysts say.

A puzzling feature of the diaspora support, however, has been a relative dearth of army volunteers. Just four to five dozen diaspora Armenians have fought at any one time, say local and western sources. Almost all these volunteers have been from Lebanon and Syria.

One of them is Mr Mike Melkonian, 41, who until recently operated a jewellery store in Montibello, California.

Wounded in the back earlier this year, Mr Melkonian was interviewed on his return to Montibello to recuperate. "I'm going to spend two or three days in the jacuzzi," he said, lounging on an airliner from Yerevan. "But then I'm coming back. Not everyone can fight."

Opposition to nuclear treaty grows

By Frances Williams in Geneva

An indefinite extension of the nuclear non-proliferation treaty, desired by most western nations and four of the five nuclear powers, has run into stronger-than-expected Third World opposition.

Mr Isaac Ayewah of Nigeria, chairman of a meeting in Geneva to prepare for the NPT extension confarence next spring said yesterday that a majority of states appeared to favour only a limited extension of the treaty, accompanied by clear movss by the five declared nuclear-waapons states towards nuclear disarmament.

This was later refuted by Mr Thomas Graham, head of the US delegation, who said about 60 countries were committed to making the NPT permanent whila the remainder of the treaty's 164 members had yet to make up their minds. However, he admitted that the prospects of indefinite extension, while "reasonably good", were "not assured.

Among the nuclear powers the US, Russia, France and Britain support indefinite extension. China has not declared its position.

A decision to extend the NPT requires a simple majority of treaty members and can be taken only once. The options are an indefinite extension, or extension for one or more fixed periods after which the treaty lapses.

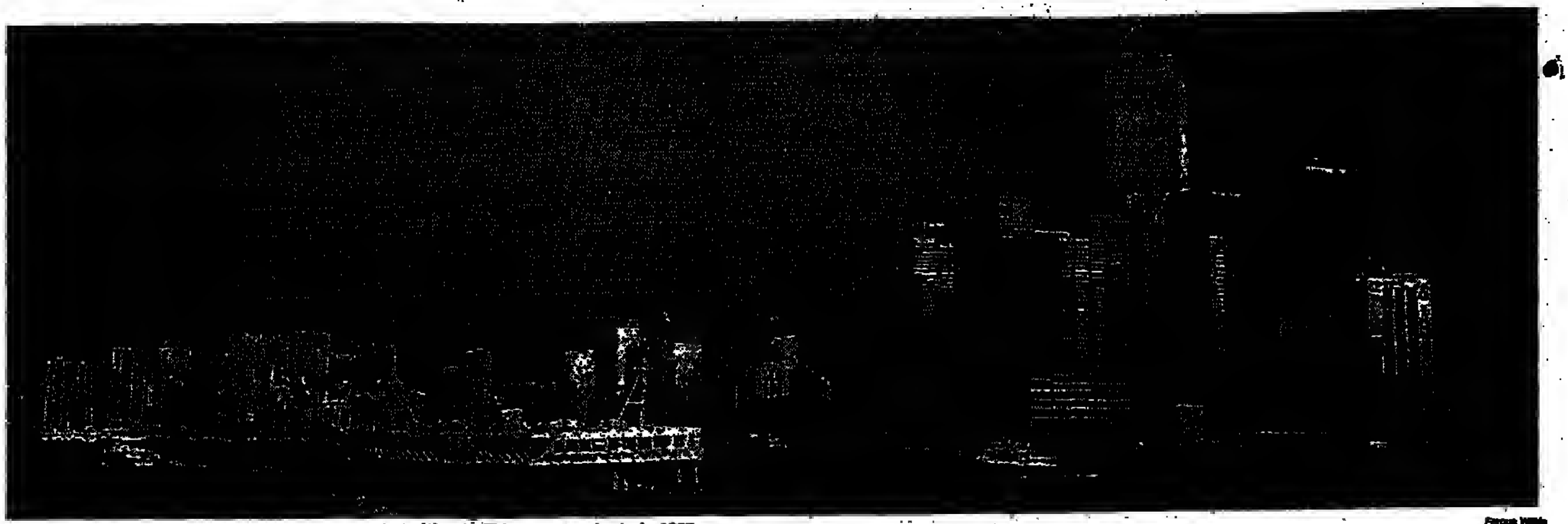
The West argues that the NPT has been crucial in curbing nuclear proliferation. Opponents of indefinite extension say the treaty unfairly discriminates against non-nuclear weapons states and does not provide adequate means to tackle new proliferation concerns.

Critics single out what they see as the failure of the nuclear powers to abide by their NPT obligations to enter "good faith" negotiations to end the nuclear arms race and work for eventual elimination of nuclear weapons.

> A majority of states appear to want only a limited extension of the NPT

A number of developing nations this week called for a strengthening of the non-proliferation regime, to inclnde a comprehensive nuclear test ban treaty (CTBT), a prohibition on production of fissile materials for weapons purposes and a dismantling of stockpiles, guarantees to non-nuclear weapon states that nuclear weapons will never be used against them, and a commitment by the nuclear powers to negotiate the elimination of nuclear arms within a fixed time-frame.

A CTBT is being negotiated in Geneva under the auspices of the United Nations disarmament conference, but is unlikely to be ready in time for the NPT extension conference.



ROUGH RIDE: Hong Kong faces a less than easy transition to Chinese sovereignty in 1997

Fergus Wills

HK polls: here today, gone tomorrow

Sunday's local elections are under death sentence by China, **Simon Holberton** writes

Mr Cheung Yuk Ming, a 42-year-old accountant, is standing at the corner of Nelson and Reclamation streets in central *Mong Kok, Kowloon*. It is early in the morning and he is reciting his election pitch into a microphone connected to an amplifier and speakers in a wire shopping trolley.

Few passers-by stop to listen to him as he speaks about the poor public hygiene in Mong Kok, its inadequate water supply, and the prevalence of crime in the neighbourhood. Yet, like other candidates in Sunday's local elections throughout Hong Kong, Mr Cheung tells the voters that he can make a difference to their lives.

The election is the first fully-democratic poll in Hong Kong since Britain colonised this tiny corner of southern China 150 years ago. It is also likely to be among the last. Sunday's poll is being held against China's expressed wish and under sentence of annulment, come the Chinese takeover on July 1, 1997.

Beijing demonstrated graphically earlier this week its power to hold up the development of Hong Kong's port (the world's busiest) simply by calling for the ejection of the Jardine group, the British trading house, from a consortium building the facility. Yet its promise to overturn the result of Sunday's poll has had surprisingly little impact on people wanting to stand for election or, if opinion polls are reliable, on the voters as well.

In all, 756 candidates are contesting 346 seats in the colony's 18 district boards, including many supporters of Beijing. The DBs, as they are known, are like a secular parish council advising a "district officer" who holds all local decision-making power. This has not, however, made the DBs irrelevant. It has simply meant that the role of members is more social worker than political leader, although a stint in the local district is seen as a proving-ground for higher elective office.

In spite of Beijing's threats, Mr Wong Che Ming, a lawyer, sees no conflict in his role as an appointed adviser to China on local affairs, and as a candidate for Mong Kok in Sunday's poll. "We can't stand still simply because someone has threatened to *demolish* the whole system," he says. "I still have something to do, to achieve. Two years is a long time in a place like Hong Kong."

Mong Kok is not the sort of place western tourists frequent. It has the distinction of being the world's most densely populated urban area. It houses 96,650 people per square kilometre, against the average for Hong Kong of 5,380 a sq km. With that population density go all the problems of crime and social deprivation which Mr Wong, Mr Cheung and Mr Ng Wing Fai, candidate for the avowedly pro-democracy United Democrats, tell the voters they can ameliorate.

The building housing Mr Ng's campaign HQ, on the corner of Shanghai and Arran Streets (the Scots presence in the colony not being confined solely to Jardine's and the upper echelons of the Hongkong and Shanghai Bank), is a microcosm of the community. Within its walls are a Baptist church, a karaoke bar, a sauna and various trading companies.

Mr Ng, an earnest town planner seeking election for the first time, explains that the building is relatively safe, mainly because the triads, the Chinese version of the Mafia, run the Kara-OK Bar. "With the triads running the bar, we have no robberies in this building," he says.

A short walk from his office is a 16-storey apartment block. A 400 sq ft flat in the building sells for about HK$1.5m (£126,000), but that is the least of tha occupants' problems. Some 100 people live on the roof in what the Hong Kong government calls "illegal *structures*" which house mainly mainland Chinese immigrants who do not qualify for public housing and which sell for about HK$150,000 each.

Mr Ng says his task is to intercede on behalf of these people with the building's management company and the government. The water and electricity used by the 30 or so families living on the roof is illegally siphoned off the supply to the building. Poor plumbing has already caused the failure of one lift because of seepage into the elevator shaft.

Intercession, with government or landlord, is also one of the main tasks Mr Wong has performed since he was first elected to the Mong Kok district board in 1985. He also spends a lot of time advising people how do things, *such as organising* a tender for repair works to an apartment building and supervising the work. "You can actually achieve something," *he says*.

In his campaign literature, Mr Wong makes a point of the fact that he is an *elected* member of the Mong Kok district board. This raises the question, given his status as a China adviser and Beijing's preference for the appointment, why it is worth drawing attention to.

"It would help my campaign to point out that I had been elected," he says. "People will take note. It would mean I had not come by my position easily, but from hard work."

But as if to underline the irrelevance of Sunday's vote, Beijing let it be known a week ago that it will shortly appoint a further 200 local advisers to keep it abreast of the concerns of people at the grass roots.

North Korea seeks fresh pay-off

North Korea wants several billion dollars' compensation for nuclear research and costs if it agrees to US demands to shut down its reactors, a senior Pyongyang negotiator said yesterday, Reuter reports from Berlin.

That compensation would be in addition to international financing for a US plan to lower the risk of Pyongyang building nuclear weapons by giving North Korea new nuclear power technology.

North Korea's delagation leader, Mr Kim Jong-u, speaking after five days' talks in Berlin with US experts, said there had been no agreement on the financing demands.

"Details of that will be discussed at higher-lavel talks," he said. The two sides plan to resume talks in Geneva on September 23.

"There are two types of compensation." Mr Kim said. One type would be for buying new foreign-made light-water reactors and another would be "compensation for electric losses and investment after 30 years" of nuclear research and power generation.

Asked how much North Korea wanted for its investment costs, Mr Kim said: "Several billion US dollars".

The US has divulged nothing about the progress of the negotiations, billed as "technical" talks as a branch of the main Geneva negotiations on ending a nuclear dispute between the two countries.

Washington wants communist North Korea to switch from its graphite-moderated nuclear technology to light-water reactors that would be financed and supplied by a US-led international consortium.

Mr Kim said his country wanted to increase its reactor capacity to a total of 1,550MW by the year 2002. But he repeated Pyongyang's rejection of light-water models offered by rival South Korea, saying they were not advanced enough.

"The right for the selection of light-water reactors is in the hand of DPRK," he said, referring to the North's full name of Democratic People's Republic of Korea.

The North Koreans say they are interested in technology from Russia or the German company Siemens.

"Whether South Korea is to finance the project or not we are not concerned," Mr Kim said.

In parallel with the Berlin talks, the two countries were discussing in Pyongyang the establishment of liaison offices in their respective capitals.

In talks with the US in Geneva last month, North Korea agreed to suspend its nuclear programme while the two sides negotiated.

Nigeria surveys the wreckage

The end of the oil strike has lifted a cloud, but what is revealed are the conditions for continued economic gloom, writes **Paul Adams**

Nigeria's economy is quick to bounce back from adversity, but while business is back to normal after a two-month oil strike, few captains of industry are celebrating and most are bracing themselves for more shocks.

The end of the strike has lifted a cloud only to reveal the wreckage.

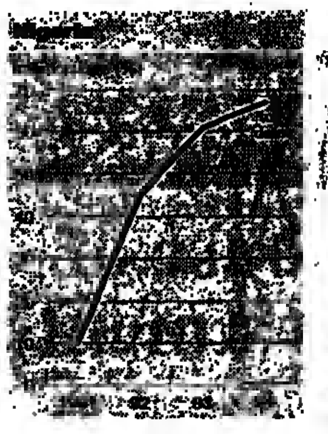
Big manufacturers estimate that they lost the equivalent of six weeks business to the strike, which brought together industrial, ethnic and political grievances in a trial of strength between a military government dominated by northern interests and the economically dominant south. UAC, Nigeria's leading conglomerate, posted half-year results 17 per cent below forecast.

"Economic policies here are going in the opposite direction to the rest of the world. Unless there are changes we are heading for economic calamity," says Mr Christopher Kolade, chairman of Cadbury Nigeria, a leading food manufacturer.

"Even though people are back at work, business needs to regain a basic level of confidence that the situation is settled," says Mr Kolade.

While the ports and the banks were closed during July and August, manufacturers could not clear goods through the ports and imports had to be unloaded in neighbouring Benin or Ivory Coast

The delays and added costs of imports are hitting hard in the depressed consumer industries. Breweries and soft drinks manufacturers estimate that sales are still 25 per cent below levels in June and are relying on a good pre-Christmas season.



Structural problems of the past four years – high government deficits, reliance on oil for nearly all foreign currency and industry's dependence on imported supplies – are compounded by harmful economic policies and an unstable political outlook.

Nine months after the military government re-introduced state controls on the private sector, industry faces a period of low demand, low investment and high inflation.

Nigeria's economic policies have brought the censure of the World Bank and indifference from bilateral creditors, but no prospect of badly needed aid or debt relief.

General Sani Abacha's regime overcame the recent challenge by opponents of military rule not by persuasion but through a show of force, leaving deep dissent and ethnic divisions. He has won Round One in the struggle to stay in power but few analysts doubt that Round Two is coming. If the regime is dismissive of political opposition, it seems deaf to criticisms of its economic policies.

After regulations fixing foreign exchange rates in the January budget, the formal private sector pinned its hopes on a policy reversal; when a mid-year budget review produced no changes and the political crisis brought the economy nearly to a standstill, business leaders wrote off 1994 as a bad year.

Among the big companies, the fittest will survive but, outside the oil sector, the political and economic risks in Nigeria offer more incentives to short-term traders and speculators than to long-term investment.

"What we wanted to see from the budget review was firstly a more liberal foreign exchange and interest rate policy," says Mr Bassey Ndiokho, chairman of UAC Nigeria. "Fixing exchange and interest rates without any control over the demand was unwise."

Electricity supply is unreliable so companies uses diesel generators. During the oil strike fuel costs went up between 300 per cent and 500 per cent.

The outlook for the oil industry is better but the government's failure to pay its 60 per cent share of the industry's costs has led to under-investment and job losses.

Even after cutting their 1994 budgets, the multinational oil companies which operate the joint ventures in Nigeria have been owed at least $800m by the state this year.

Nigeria's lack of access to new capital is holding up some big projects. A $550m investment to produce gas which is currently wasted at Chevron's Escravos fields is in doubt because Nigeria depends for its majority share of the funding on the World Bank, which is critical of Nigeria's economic management.

A $4bn investment, the much-delayed Liquefied Natural Gas project at Bonny, hangs in the balance as Nigeria tries to convince export credit agencies such as the US Eximbank that it is an acceptable country risk.

Nigeria will need all the help it can get from oil exports. The government promised in January a balanced 1994 budget, but then announced for the first half of the year a budget deficit of $1.4bn.

Western economists believa this figure was on the low side and are forecasting a deficit heading towards last year's figure of more than $4bn or 17.5 per cent of gross domestic product. Inflation is nearly 70 per cent and accelerating while economists predict negative GDP growth of around 1 per cent by the end of the year.

Sri Lankan PM tries to end war

By Mervyn de Silva in Colombo and Stefan Wagstyl in New Delhi

Peace in the civil war in northern Sri Lanka would bring economic as well as political, social and humanitarian gains, the government's newly-appointed chief economic adviser said yesterday.

"We have to end this war, and the prime minister is absolutely right in tackling that problem first. Apart from the many other obvious reasons for ending this harrowing divisive conflict, it makes sense economically," Mr Lal Jayawardena, who this week joined the administration of Mrs Chandrika Kumaratunga, the recently-elected prime minister, said.

Mrs Chandrika has offered to negotiate a peace settlement with Mr Velupillai Prabhakaran, leader of the Tamil Tigers, the separatist guerrillas fighting for an independent homeland for ethnic Tamils since the mid-1980s.

Mr Jayawardena said Sri Lanka was spending about Rs20bn (£262m) a year on the war, the equivalent of 4 per cent of GDP, plus a further Rs9bn on war-related problems such as refugees. The peace dividend could be quite substantial, he said.

Mr Jayawardena, a former treasury secretary, ambassador and academic, also dismissed suggestions that left-wing members of Mrs Kumaratunga's centre-left coalition government could force the adoption of socialist policies. The government would not change the previous conservative administration's labour policies, nor would there be any nationalisation or expropriation of private property.

The government was committed to export-led growth, including export-oriented services such as financial and shipping services, he said.

US exits Somalia

The American flag was lowered over the US liaison office in lawless Somalia and the last marine guards left yesterday in a low-key final act to 21 months of American intervention, Reuter reports from Mogadishu.

An estimated 55 US marines flew by helicopter from the US liaison office in the UN compound in Mogadishu where they left aboard a white UN *plane for Mombasa, Kenya*.

The subdued departure contrasted with the troops high profile landing on the beaches of Mogadishu in December 1992.As the US prepares for a possible Haiti invasion Somalia remains in chaos under clan warlords.

US intervention came unstuck in an undeclared war last year against militias loyal to Mohamed Farah Aideed which prompted President Clinton to order the pullout.

John Lloyd in Bishkek tells of MPs' warnings of democratic developments at least threatened, at worst crushed

Kyrgyz fear their tiny nation will fall into iron hands

If tha davelopment of democracy in Kyrgyzstan has been threatened by the president's taking almost complete control over the country, the chances of its taking hold in the other former Soviet states of Central Asia are ramote, and the "realists" who increasingly claim it is not on offer anywhere in the post-Soviet world will add another scalp to their belts.

Kyrgyzstan, whose population is small, natural resources minor and weight in the world negligible, had the highest of hopes, mainly because in President Askar Akayev it had a head of state who encouraged these ambitions.

In a series of speeches, he established the image of an administration which, in contrast to the other four states in the region, was determined to embed the rula of law, to ensure press freedom and establish a fully functioning civil society.

Largely for these reasons, the international financial institutions have committed more funds per head to Kyrgyzstan, in the form of support of the currency, assistance for restructuring the agrarian and industrial sectors and humanitarian aid, than to any other of the post-Soviet states.

Thus, the country largely owes its present living standard and future success in restructuring its economy, and its abiding commitment to democratic development to foreign support. But on Tuesday the Kyrgyz parliament heard speaker after speaker warn that democratic development was at least threatened, at worst crushed.

The cause was a series of moves either by Mr Akayev or attributed to him. First, the parliament was inquorate: only 125 deputies out of 323 were present. The rest, it was said, had been induced to stay away until a new parliament was created. Anticipating such a result, the president had asked the government to resign, arguing it had to do so because the constitution specified it could not outlast tha parliament. He had called elections for a new parliament on December 24.

This would be preceded by a referendum on October 22 to pass a constitutional amendment specifying a bi-cameral parliament of less than 100 full-time MPs. The session was the last futile meeting of a doomed institution.

Further, the deputies argued that the president or his administration were afraid of allegations which would have been made of corruption, and, that since the legislature had been suppressed, the constitutional court not been appointed, and tha executive under his control, President Akayev was on his way to being an autocrat.

Further, three of Bishkek's newspapers did not appear that day. Svobodny Gori (Free Hills) had been suppressed some weeks before by order of the procurator after an appeal to him by the president. The other two, Politika and Res Publica, were more recent casualties.

Bishkek is in the midst of its latest wrenching change, having been carved out of tribal societies by Soviet power in the 1920s. Its industrial output has fallen since the Soviet Union collapsed, dragging gross domestic product down by 19 per cent in 1992 and 16 per cent in 1993, with a similar fall expected this year. "We supported democratic reform," said a caller to a television phone-in to President Akayev. "But give us the elementary conditions for living. Pay wages and pensions on time".

The small diplomatic community in Bishkek is concerned. For the envoys there, who have persuaded their governments that this was an oasis of open development, a wobble by Mr Akayev is a serious matter. They can find no good reason why he has forced a parliamentary crisis now, when parliament would have been dissolved next March. They fear a turn towards the authoritarian rule evident in neighbouring Uzbekistan and Turkmenistan.

In an interview, Mr Akayev repeated his continuing dedication to democratic development.

The economy was showing real signs of recovery, he said. Inflation was the lowest in the Commonwealth of Independent States, at 1.7 per cent a month; the som, introduced in May last year, is the most stable currency, at 10.7 to the dollar.

Farm reform had gone furthest, with most state and collective farms probably liquidated and private farms showing signs of higher output. Most small businesses were also private. Real incomes were rising and foreign investor confidence increasing.

Until the end of the year, President Akayev will indeed be the only figure of authority. His claim that democracy is not just being preserved but deepened cannot be judged until the referendum and the elections have happened, and properly.

On that depends his economy, his reputation, and the hope that Central Asia is not doomed to be ruled by iron hands.

Economic indicators

	1993	1994	1995	1996	[illegible]
	Percentage changes				
Real economic growth	-16.0	-6.6	0.4	2.7	4.7
Consumer prices	1366.0	108.2	30.6	12.7	6.6
	Percentage of GDP				
External current account deficit*	-18.0	-12.3	-10.9	-9.8	-8.7
Overall budget deficit**	-9.2	-4.7	-3.5	-3.0	-3.0

*[illegible] official transfers and interest obligations
**[illegible]

Latin American trade gap to widen further this year

By David Pilling in Santiago and Stephen Fidler in London

Latin America's trade deficit will widen further this year as growth of imports outpaces export expansion, the UN Economic Commission for Latin America and the Caribbean (Eclac) says today.

Publishing preliminary estimates of the performance of Latin American economies, Eclac said it expected the region's exports to grow by 9 per cent this year, with growth mainly due to the recovery in prices of primary exports, which had fallen for five successive years.

However, the recent tendency for imports to grow at a faster rate continued: this year imports are expected to grow by 12 per cent, leaving a widening trade deficit.

Higher US interest rates have also increased the sums paid out by Latin countries in interest and profit remittances.

These payments are expected to rise from $31bn to $34bn, which will produce a regional current account deficit likely to widen from last year's $45bn to around $53bn (£34bn) this year.

However, amounts of foreign capital approaching the record levels of the previous two years – an estimated $55bn – will continue to flow into the region to finance this deficit.

Although the number of Latin bond issues has fallen this year because of political instability, other types of capital inflow – in particular, direct investment and foreign share issues – should nearly compensate, the agency said.

Peru is expected to be the most dynamic regional economy this year, with growth of 8 per cent

Foreign debt for the region is likely to rise in nominal terms by 4-5 per cent from last year's $497bn. However, because of export expansion, the ratio of debt to exports should drop from 300 per cent in 1993 to 285 per cent this year.

The region will continue to grow "moderately" in 1994, with average growth rates of just above 3 per cent, the preliminary estimates suggest. To judge from first-half data, Peru is expected to be the most dynamic regional economy this year, with growth of about 8 per cent, followed by Argentina at 6-7 per cent. Bolivia, Chile, Colombia and Costa Rica are all expected to boost gross domestic product by between 4 and 5 per cent.

Regional laggards include Honduras and Haiti, both expected to record negative growth. Venezuela, which is battling a financial crisis, is singled out as the worst performer, with a likely fall in GDP of 4.5 per cent.

Although Mexican GDP is expected to rise by only 2 per cent this year, the result is seen as positive in view of last year's near-zero growth. The start-up of the tripartite North American Trade Agreement, the improvement of the US economy and the depreciation of the peso are noted as contributing to the improved performance.

In spite of the generally encouraging regional performance, Eclac cautions that "in the majority of countries, investment ratios are not sufficient to sustain faster growth in the long term". Chile, with an investment rate above 27 per cent, is one of the principal exceptions.

Eclac points out that, because of expanding populations, per capita growth throughout Latin America will average only 1 per cent.

The first half also saw "new progress" in the reduction of inflation, which Eclac describes as "one of the most important achievements in Latin America of the last decade". Regional inflation, which averaged 49 per cent in 1991, was down to 16.5 per cent for the 12 months to August. Argentina, Bolivia, El Salvador, Mexico and Panama are all expected to record single-digit inflation this year.

The fate of Brazilian inflation, which reached 2,500 per cent last year, hinges on the success or otherwise of the recently introduced Real currency. Venezuela is again seen as going in the wrong direction – the 12-month inflation rate to August was 68 per cent, compared with 46 per cent at the end of 1993.

Decision may hit Oliver North's hopes and let Democrat in

Wilder quits US Senate race

By Jurek Martin in Washington

Mr Douglas Wilder yesterday abruptly dropped out of the US senate race in Virginia, thus probably reducing the chances of victory for Mr Oliver North, the Republican candidate.

The former Democratic governor, who was running as an independent, declined to endorse Senator Charles Robb, his long-time rival, in the November 8 election.

But his departure from the race leaves Virginia's Democrats with the alternative of voting for Mr Robb or not at all. Had Mr Wilder stayed in, recent polls have suggested that Democratic divisions might have been enough to hand the race to Mr North, in spite of the presence of a second independent candidate, Mr Marshall Coleman, a former Republican state office holder.

Mr Wilder's decision will come as an enormous relief to the White House and the national Democratic party, which is threatened with loss of control of the Senate. Virginia was among the 8 to 10 endangered seats that have threatened its 56-44 majority.

Senior Republicans, including Senator Robert Dole, have begun to rally behind Mr North, setting aside reservations about his criminal conviction, overturned on a legal technicality, in the Iran-Contra affair while serving on President Ronald Reagan's national security council.

Wilder: "Fold 'em"

Robb: indiscretion

North: backed by Dole

Mr Wilder's statement, quoting a well known song, said: "I know when to hold 'em and I know when to fold 'em." It said, in effect, that he had concluded he could not win and that his low standing in the polls made it difficult to generate finances for his campaign.

Two local polls this week underlined his problem. The first gave Mr Robb 33 per cent, Mr North 28 per cent, Mr Coleman 15 per cent and Mr Wilder 12 per cent, with the balance undecided. The second had Mr North in the lead with 34 per cent, followed by Mr Robb at 31 per cent, Mr Wilder 13 per cent and Mr Coleman 10 per cent.

There may now be some pressure on Mr Coleman to withdraw to clear the field for the two main candidates. But his principal sponsor is Mr John Warner, Virginia's Republican senator, whose contempt for Mr North and his right-wing supporters is such that he persuaded Mr Coleman to run.

The Robb-Wilder feud, a feature of Virginia politics for years, was behind Mr Wilder's decision to enter the Senate race shortly after his term as governor expired in January. It reached fever pitch two years ago when it was disclosed that the senator's aides had been bugging the governor's car telephone. Subsequent admissions by Mr Robb of sexual indiscretion did little to help his image.

Mexicans plan talks on political reforms

By Ted Bardacke in Mexico City

The Mexican government and the country's main political parties are close to starting talks aimed at further political reform and paving the way for a smooth transition to power by Mr Ernesto Zedillo, victor in last month's presidential elections.

Legislators from the ruling Institutional Revolutionary party (PRI), National Action party (PAN) and Party of Democratic Revolution (PRD) agreed yesterday that "the time has come for the reign of mistrust to be transformed into serious and open political negotiations."

In a separate meeting, Mr Jorge Carpizo, the interior minister, and the six "citizen representatives" who control the Federal Electoral Institute resolved to push for a "definitive" political reform that would include new rules for elections as well as changes in the relationship between the government and the PRI.

These moves follow statements by outgoing President Carlos Salinas welcoming a call by the leftist PRD for a national dialogue before the country's electoral college meets in the last two weeks in October to ratify Mr Zedillo's electoral victory.

A government official said issues such as making the electoral authority independent of the presidency and setting new rules for campaign spending and media access were relatively easy to resolve and that the sticking point was "how to get the parties to the table".

Setting his conditions for dialogue, Mr Zedillo said yesterday that if his party agreed to a sweeping political reform, the opposition parties must reciprocate by legitimising his victory in the electoral college. Mr Zedillo hopes the PRD will recognise his victory so that after he becomes president in December he can avoid the antagonism that has persisted between Mr Salinas and the opposition.

The PAN and the PRD want ruling party victories in some local elections to be overturned, notably the mayoral race in Monterrey and the gubernatorial race in the state of Chiapas. This would be a sign that the government is serious about political change, the parties say.

In addition, the PRD wants a clear sign that concrete mechanisms to separate the ruling party from the state will be discussed.

Peru may settle ship deal debt with banks

By Sally Bowen in Lima

An important barrier between Peru and its commercial banking creditors may be lifted soon. A congressional commission investigating a long-standing government debt with Chemical Bank and American Express Bank has recommended it should be recognised and, by implication, settled.

The controversial debt is small in money terms – some $36m principal, now worth perhaps twice that with unpaid interest – but large in political significance. It arose in 1981 when the state shipping line CPV bought two cargo ships which proved virtually unusable. Chemical and American Express financed the purchase under a leasing agreement.

Alleging irregularities, President Alan Garcia's 1985-90 government refused to recognise the debt, a position initially assumed by current President Alberto Fujimori. But the Citibank-led advisory committee which represents some of the biggest of Peru's more than 200 commercial banking creditors, has insisted the debt be settled before negotiations are opened.

The commission found "no evidence that the entities which financed the operation acted irregularly". Blame was laid at the doors of CPV officials and former ministers.

Peru's congress still has to ratify the commission's recommendation. But, assuming the government majority has its way and the administration then accepts the decision to pay, long-delayed renegotiations over Peru's $7bn debt with the commercial banks should soon be under way.

Fears over Cuban influx

The Cayman Islands is facing a crisis over the British colony's inability to deal with almost 1,000 Cuban refugees, and there are fears that the territory's stability could be harmed by refugees' reaction to a plan to repatriate them, according to government officials, Canute James reports from Kingston.

Britain has sent hundreds of camp beds to the islands, where the administration is awaiting security assistance from the US to deal with the refugees. The leader of a Cuban-American group is asking the British government to prevent the repatriation of Cubans by the Caymanian authorities.

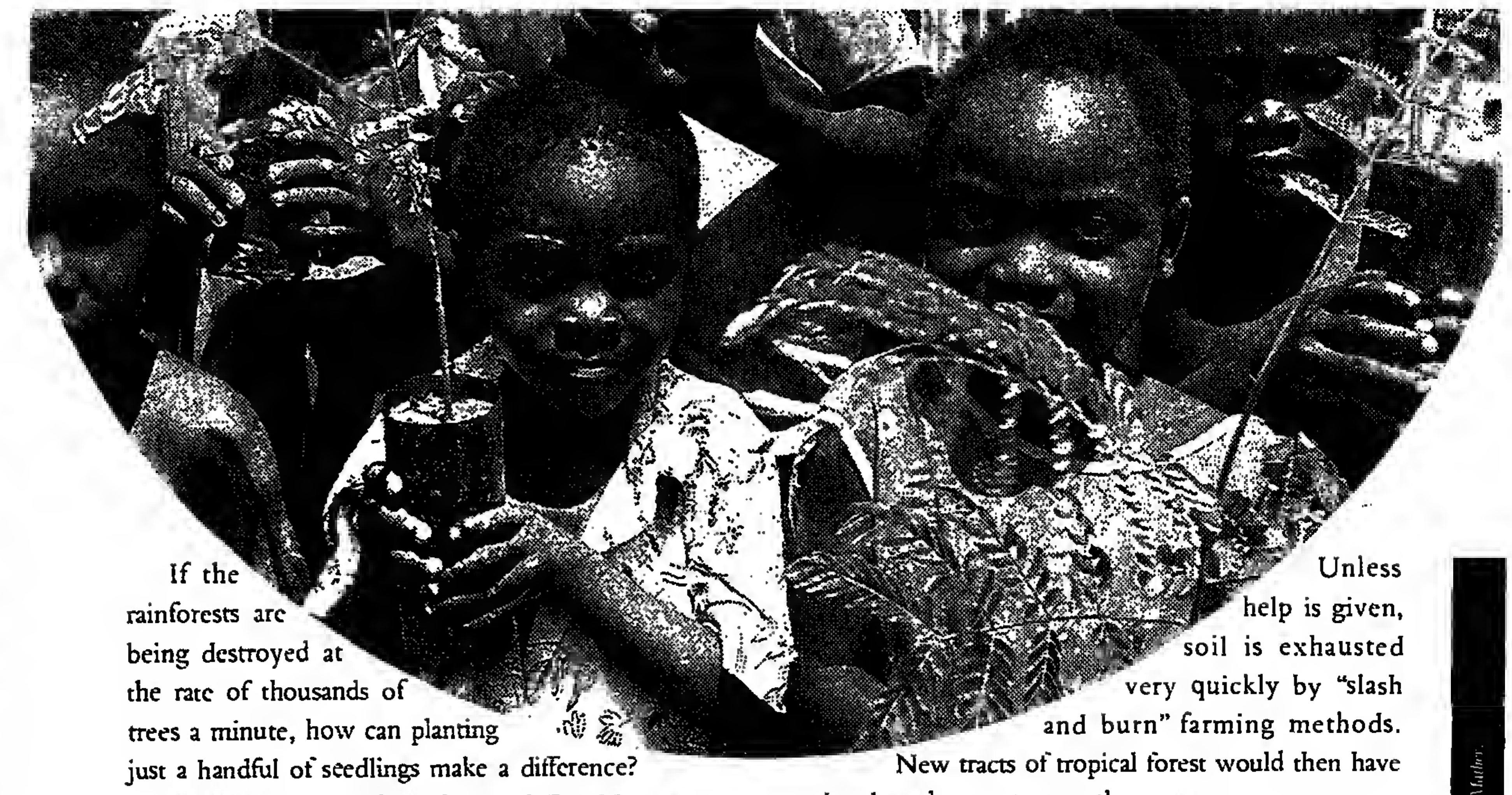
Inventory growth falls

US business inventories grew more slowly in July than expected, offering some evidence that the economy may be moving to a slower pace of growth without an abrupt downturn in output, George Graham writes from Washington

The Commerce Department said inventories rose by 0.3 per cent in July, the fourth month of increase in succession but a much slower rate than the average 0.7 per cent a month recorded in the second quarter. Most financial market economists had predicted they would continue at that rate.

Although businesses have been increasing stockpiles this year, inventory-to-sales ratios have been very low. In July, inventories rose to represent 1.42 months of sales, still a level at which retail sales would be expected to feed through into new orders.

At the same time, a regional survey by the Federal Reserve Bank of Philadelphia showed manufacturing activity continuing to expand this month, despite some signs of weakening in shorter delivery times and lower unfilled orders.



NEWS: WORLD TRADE

£50m UK boost for business in Hanoi

By Our Correspondent in Hanoi

British foreign secretary Douglas Hurd wound up a 24-hour visit to Vietnam yesterday by signing a £50m ($77.5m) mixed credit package designed to spur British business in a country where he acknowledged British investment had lagged behind.

"Everyone who comes here can see that Vietnam is moving very fast and we are determined to move fast alongside Vietnam," said Mr Hurd, the first British foreign secretary to visit Vietnam. He singled out oil and gas, air transport and banking as particularly promising areas.

The credit deal commits Britain to almost three times the total aid it gave Vietnam from 1990 to 1993.

Although he admitted that France, the US, Russia and Japan were ahead in providing Vietnam with much of its infrastructure, Mr Hurd suggested that "historical reasons" explained much of this. He added: "In that sense Britain came late, but is now coming fast".

Britain is the ninth largest investor in Vietnam, with 17 projects worth a total of $402m. Most of the money is in the oil and gas sector.

Mr Michael Turner, chairman of Commercial Aerospace at British Aerospace and one of eight business people accompanying Mr Hurd on the four-nation Asian tour, said Vietnamese air traffic was growing at 36 per cent and that the agreement would help finance the growth of Vietnam's air fleet.

He said he expected to see the delivery of 10 to 15 Airbus A320s to Vietnam in the next 18 months. BAe, a 20 per cent shareholder in Airbus Industrie which produces Airbus aircraft, hoped to sell smaller jets and turbo-props for Vietnam's domestic routes, now serviced by ageing Sovet-era Tupolevs.

The nation's flag carrier, Victor Airlines, has said it needs 60 to 80 new aircraft over the next decade, and has indicated it will buy rather than lease them. Under the mixed credit deal, signed in principle at the Paris Club donors' conference in December 1993, 35 per cent of the value of British goods and services would be made available to the Vietnamese government as a grant of aid.

The remaining 65 per cent would be financed by export credit loans guaranteed by the Export Credit Guarantee Department (ECGD).

Although no contracts were signed by any of the eight businessmen, Hong Kong and Shanghai Bank on Wednesday received agreement in principle to open a branch in the Ho Chi Minh City in the south. Other companies represented included Costain and Balfour Beatty, which is looking at upgrading the dilapidated railway line linking the capital, Hanoi, with the northern port city of Haiphong.

Japan car companies seek to make it abroad

High yen and trade rows spur overseas production, writes **Michiyo Nakamoto**

Japanese vehicle manufacturing facilities in North America are regarded in some US quarters as Trojan horses bent on promoting Japan's industrial predominance at the expense of their US counterparts.

For their part, Japanese car makers, restrained by their natural caution and concern for their treasured relationships at home, have at times seemed hesitant about moving overseas.

But the announcement this week that Toyota will raise North American vehicle output by 50 per cent in the next two years and double its engine production there, which followed Honda's earlier revelation that it would spend $310m more on its North American operations, provides strong evidence that the Japanese car industry wants further to expand its production abroad.

"There is no doubt that globalisation has to go on in order to keep these guys in business and there is no doubt that plants [in Japan] will have to be closed down," although not immediately, says Mr Andrew Blair-Smith, industry analyst at Barclays de Zoete Wedd Securities in Tokyo.

The US, for political and economic reasons, is an obvious target for increased Japanese manufacturing.

Not only is it a huge market that provided demand for nearly 1.4m Japanese vehicles last year, the growing need to meet specific regional market demands, the yen's strong rise against the dollar, mounting trade friction and protectionist tendencies in the US all provide strong arguments for increasing local manufacturing in North America.

The yen's appreciation has forced Japanese car makers to raise the prices of exports to the US, making them more expensive than US-made cars. While Japanese companies have tried to alleviate the impact of the yen's rise through aggressive leasing programmes, their share of the US market has come under pressure while profitability has suffered.

In announcing its annual results in the year to the end of June, Toyota revealed that the yen's rise against the dollar had the effect of wiping off Y160bn ($1.61bn) from operating profits.

Meanwhile, as bilateral negotiations aimed at opening Japan's market further to foreign cars and parts remain stalled, protectionist tendencies could gather momentum, particularly when the strength of demand in the US begins to taper off.

On the immediate horizon is a law to be introduced in October requiring labelling on the vehicle of the origin of parts. US negotiators have been pressing the Japanese authorities to see to it that the Japanese industry increases a voluntary plan to purchase more foreign car parts, and presents a programme for increasing the number of manufacturer-affiliated dealers willing to sell US cars in Japan.

The US has been dangling the threat of trade sanctions if no progress is made either in vehicle or other priority trade issues by the end of this month.

"The Japanese acceleration of US production is an attempt to get the foot firmly in the door before the market tops out," says Mr Blair-Smith.

At the same time, local production in the US will increase as Japanese car makers increasingly concentrate the manufacturing of specific cars in one global manufacturing base.

Honda, for example, only manufactures the Accord Wagon in the US, the market for which it was intended, and imports the car back into Japan. Overall, Japanese reverse imports from the US have increased from about 5,400 units in 1988 to 35,000 last year, according to the Japan Automobile Manufacturers Association.

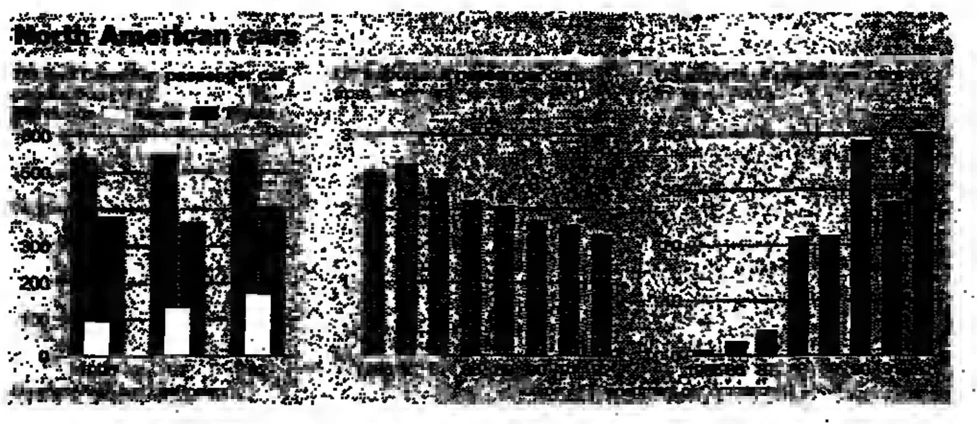
The US is by no means the only region slated for greater Japanese local production. Toyota, for example, is setting up production of passenger cars in Turkey while Honda is expanding production in the UK.

"Japanese globalisation is going to accelerate much more rapidly in Europe and Asia than in the US," Mr Blair-Smith says. "In the US they are trying to replace exports with local production but in Europe they are trying to increase market share."

The greatest impact of all this expansion will be felt in Japan. Toyota stresses it will not reduce employment in Japan even though exports from Japan will fall 28 per cent as a result of increased North American production.

However, vehicle exports from Japan have already fallen by more than a quarter from a peak of 6.7m units in 1985 to just more than 5m units last year. Domestic production, meanwhile, has fallen 17 per cent from a peak of 13.5m in 1990 to 11.2m last year.

The challenge for Japanese car makers, says Mr Yutaka Kume, chairman of Nissan, the country's second largest vehicle maker, "is how to reposition Japan as a production centre in the world".



UK in investment accord with Cuba

By Pascal Fletcher in Havana

Britain has signalled strong official encouragement for British businesses to invest in Cuba with an investment promotion and protection agreement. The agreement was initialled on Wednesday by Britain's trade and technology minister, Mr Ian Taylor. Mr Taylor yesterday referred to Cuba as "a very exciting market" at the end of a three-day visit, the first by a British minister to the island in almost 20 years.

"Clearly, the potential here is very considerable," Mr Taylor said. "The agreement will give confidence that Cuba is a market with which British businesses can deal." He had led a British business delegation in talks on investment opportunities in air transport, construction, extending British involvement in Cuba's sugar sector and insurance.

Mr Taylor, clearly distancing British government policy from the US trade and financial embargo against the island, underlined the fact that Britain had never cut its trade links with Cuba. British exports for the first half of this year were up 180 per cent over last year. The 1993 export total was £14m, which was 56 per cent down from 1992. But he said many British companies had found it difficult to do business in the past because of Cuba's centrally-managed and highly regulated state economy.

Cuba was moving to reform its economy to adapt to world trading conditions after the collapse of the Soviet Union, its main trading partner. "I made it clear that British companies would find dealing with Cuba easier the further the reform process goes," said Mr Taylor, who had talks with President Fidel Castro. He said that while Cuban reforms were at an early stage, he was assured by Mr Castro they would continue.

He noted that British companies were already operating in Cuba in oil exploration and oil services, agrochemicals, lubricants, soap and detergent manufacture, citrus, financial services and the sugar industry.

Cuba's President Fidel Castro (left) with Mr Ian Taylor, British trade minister, in Havana Reuter

Seeking (nearly) free labour with fair trade

Nancy Dunne on Washington's quest for middle ground on workers' rights abroad

It is a rare official of the Clinton Administration who does not declare some measure of commitment to the promotion of worker rights abroad.

But courting US business and backing its export drive, particularly in emerging markets, has recently seemed the higher priority, particularly since President Bill Clinton "de-linked" China's human rights policies from the annual US renewal of its Most Favoured Nation trade status.

In setting out its position on workers' rights, the administration has searched for middle ground. Mr Robert Reich, the US labour secretary who is perhaps its most eloquent spokesman on the issue, told a congressional sub-committee in June that "as economies become increasingly interwoven with each other, we must either actively accept some share of responsibility for how our economic partners conduct their affairs, or else passively accept complicity".

Some labour practices, such as prison or slave labour and some forms of child labour, "simply place countries outside the community of civilised nations", he said. While he rejected poverty as a valid pretext for restricting union activity, he also insisted that "it is neither fair nor realistic to insist that labour standards within developing countries must be identical to those in richer countries".

Tha administration has pushed hard for the inclusion of labour rights in trade negotiations. But it has earned criticism internationally, particularly from developing countries, and scorn from both sides of the political spectrum at home, which see the administration as trying to occupy an unprincipled and ineffective centre.

Mr Mickey Kantor, the US trade representstive end a former lawyer for migrant farm workers, pushed hard to get labour rights on the agenda of the new World Trade Organisation, successor to the General Agreement on Tariffe and Trade, but he has only won agreements to debate the issue. Republicans and the business lobby forced him to drop labour rights from the administration's proposed fast-track negotiating authority for future trade negotiations. When several outraged Democrats protested, the administration was forced to abandon the entire battle for fast-track. It was a defeat for key foreign policy and trade initiatives in Asia and Latin America.

While the focus has been on trade and labour rights, congressional Democrats succeeded in getting legislation passed which requires US executive directors of the multilateral development banks to push labour's goals through their lending. Mr Jerome Levinson, former general counsel of the Inter-American Development Bank, has been a leading advocate of the policy.

In a recent report by the Labour-backed Economic Policy Institute, Mr Levinson called for the elevation of worker rights to the same order of priority as investment incentives.

The policies of the developments banks are "indifferent at best to abuses of worker rights in the borrowing countries", he said. "The World Bank seems to have a positive aversion to independent trade unions that can bargain aggressively for their members."

Administration officials are much milder in their endorsement of worker rights as a lending condition. It is thought that they will not take "a heavy hand" on worker rights but will try to persuade borrower countries to move towards "normally accepted standards".

They believe development banks can narrow the gap between rich and poor by increasingly concentrating their efforts on social investment.

They are proud the IADB will now commit 60 per cent of its new loans to health, education, worker retraining and other social programmes, and the Asia Development Bank has committed 40 per cent.

But US officials are also pushing for milder lending conditions than those that forced poor countries to throw open their import markets and slash their spending on, among other things, health and welfare programmes.

"Wa know austerity isn't a substitute for adjustment," said one official. "We've learned that the quality of deficit reduction matters."

The official said it would be "terrible if the banks supported the bad guys, the anti-union side, when a little more union power ought to be good". He said that unions have been "a positive force" in the industrialised countries but "there are obviously dangers of labour rights being used as a pretext for protectionism".

Mr Levinson sees the administration's efforts as "window dressing". These initiatives will not get to the core of the problem, which is economic policies which widen the gap between rich and poor and frown on "direct government measures to redress poverty and income equalities".

As far as Congress liberals are concerned the thrusting of worker rights on to the development bank agenda is their "opening shot" on behalf of labour. Congressman Barney Frank, chairman of the House subcommittee which oversees the development banks, is inviting to Washington in November key members of parliaments from around the world. The agenda will be further reform of the big multilateral lending institutions.

Clinton administration efforts to improve workers' conditions in Indonesia by threatening to withdraw trade benefits have failed to produce promised reforms, according to US human rights activists, Nancy Dunne reports from Washington.

This week's Human Rights Watch/Asia report concludes that labour unrest in Indonesia has been exacerbated by government failure to allow freedom of association and the right to organise unions independent of government control.

Under US law, a country must take steps to meet international labour norms to be eligible for the US Generalised System of Preferences, which allows many products from developing countries to enter the US duty-free.

The Clinton administration has other goals in Indonesia competing for the President's attention. It is one of the US Commerce Department's Ten Emerging Markets and one in which the US hopes to make import trade gains.

Jakarta is to host the annual meeting of the Asian Pacific Economic Co-operation forum, and President Clinton is meet President Suharto on November 16.

Samsung in $500m plans for China

By John Burton in Seoul

Samsung, South Korea's leading electronics company, plans to produce semiconductors and home appliances in a $500m project in China.

The Samsung electronics plants will be located at an industrial park in Suzhou, China's fifth largest industrial city. The park itself is being built by Samsung Engineering and Construction in a joint venture with the state-owned Keppel Group of Singapore.

The announcement is the latest in a number of investment projects in China by Korea's big conglomerates, designed to take advantage of low cost Chinese labour. China has become the largest overseas investment area for Korea since relations were normalised in 1992, with total investments growing from $200m in 1991 to $1.3bn by the end of June this year. Total Korean corporate investments, however, account for only 0.5 per cent of total foreign investment in China.

While Korean investment in China has largely been dominated by small textile, footwear and leather companies, this year has seen an upsurge in investments by the conglomerates. Samsung will begin the manufacture of low-end application specific integrated circuits (ASICs), air conditioners, refrigerators and microwave ovens in the Suzhou complex in late 1995.

The Suzhou operations will complement production of other Samsung home appliances in north-eastern China. Other *chaebol* with recently announced investment plans in China include Daewoo Motor, seeking to build a car components factory, and Hyundai Motor, wanting to make commercial vans.

Trade in weapons harder to regulate

By Bruce Clark, Defence Correspondent

Trade in highly sophisticated conventional weapons is increasing and becoming harder to regulate, according to a paper published this month by the International Institute of Strategic Studies.

The paper, written by a Canadian scholar, Mr David Mussington, says the old restraints on the transfer of militarily sensitive technology are breaking down, and new ones are difficult to impose.

The decline in domestic arms procurement in both the West and the former Soviet Union after the end of the Cold War has made arms producers more dependent on other export markets, while weakening the political case for co-ordinated restraint, the study says.

Heightened commercial pressures mean policy-makers in the US and the main Nato allies are becoming less likely to worry about the effects of arms deliveries on regional stability, preferring to focus on the preservation of a defence technology base, and the related employment issues.

The Stockholm International Peace Research Institute (SIPRI), in its 1994 journal, said a decline in the volume of conventional arms imports is continuing among industrialised countries but has bottomed out in the developing world (see graphic).

However, the picture may be even more alarming than the SIPRI figures suggest. The data understate the extent of technology transfer in the international arms trade, Mr Mussington argues, because they fail to take account of offsets and local production under license.

The arms industry as a whole has becoming harder to police thanks to the emergence of a "second tier" of producers, capable of producing intermediate versions of the advanced countries' weapon systems. Such producers range from traditional customers of Western arms companies, such as Turkey and Israel, to "rogue nations" like North Korea, whose arms exports were viewed by the West as highly destabilising.

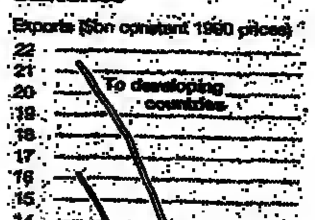
The second-tier producers improved their position by supplying to both Iran and Iraq during their 10-year war, although they had to give ground in Middle Eastern markets to the leading Western companies in the aftermath of the 1991 Gulf conflict.

Western efforts to persuade Russia to practise self-restraint are likely to be countered by accusations of hypocrisy, when the West is engaged in a vigorous export drive of its own.

Heavy-handed discrimination might simply force middle-ranking countries to develop weapon systems that were outside any international system of regulation, the study maintains, citing the examples of South Africa and India. It calls for second-tier producers to be drawn into a new system of controls on the export of "weapon-specific" technologies, which do not block their chances of industrial development, or their access to a reasonable supply of weaponry.

Understanding Contemporary International Arms Transfers by David Mussington published by IISS/Brasseys' Cost £10.50

Conventional arms deliveries



Source: SIPRI

Sales turn downwards in August

By Peter Norman, Economics Editor

Retail sales turned downwards last month, prompting some commentators to ask whether Mr Kenneth Clarke, the chancellor of the exchequer, had acted prematurely when be raised bank base rates by a half percentage point this week.

The Central Statistical Office reported that retail sales volumes fell an estimated, seasonally adjusted 0.3 per cent between July and August, confounding consensus expectations in the City of a small 0.2 per cent rise.

Volume sales were up 2.9 per cent compared with August last year, registering a sharp slowdown compared with July's 3.8 per cent year-on-year growth and the second lowest annual growth rate this year.

Mr Richard Brown, deputy director general of the British Chambers of Commerce, who was outspoken in his criticism of Monday's rise, said the retails sales data "confirmed the BCC's concerns about the fragility of consumer demand" and underlined the difficulties faced by retailers.

The Treasury, while admitting that the pace of high street activity slackened a little last month, said retail sales volumes were continuing a steady upward trend. One official suggested that the flattening of sales in August could be a sign that growth was becoming better balanced, with exports and investment playing a bigger part in the recovery.

The figures helped ease fears of inflationary pressures in financial markets. Prices of government gilt edged stocks rose, helped by the better tone of US and German bond markets, and the removal of some stock overhanging the market. The FTSE-100 index also had a better day, closing 32.9 points up, at 3,112.7, after a run of seven consecutive days of decline. Trade, however, was mostly technically driven, with the futures market leading the cash market, ahead of the expiry today of the September FTSE contract.

Consortia respond on tolls

By Charles Batchelor, Transport Correspondent

Twenty nine consortia representing more than 70 companies from around the world have responded to the UK government's call for proposals for an electronic tolling system for Britain's motorways.

Most of the proposals would involve the construction of overhead gantries alongside motorways to read a special unit fitted in a vehicle.

But a small number would depend on the satellite tracking of vehicle movements, Mr John Watts, roads minister said yesterday.

The government hopes to introduce tolls on the 1,900-mile motorway network by 1998. If cars were charged 1.5p a mile and trucks 4.5p this would raise £700m a year which would be used for road improvements.

The systems which have been proposed will be evaluated over the next four months with the aim of conducting tests on a test track and on motorways during 1995.

The government will then draw up a technical specification of the system it wants and put the contract out to tender in the spring of 1996.

"Any contract we let would be enormous," Mr Watts said. "We want to develop a specification which can be sold around the world."

It is likely that the contract would be let to more than one consortium because of its size. One option under consideration is for the winning companies not to be paid on completion but for them to recoup their outlay on the scheme from the tolls they collect.

Mr Watts denied that the government had ignored criticisms made in a report by the Tory-dominated Commons transport committee which was published last month.

The MPs said the governments arguments for tolls were "unconvincing" and suggested an increase in fuel duty would be easier and cheaper to collect. Mr Watts said the government was considering its response to the report but in the meantime it had to continue with its preparations.

Proposals had come in from companies in Europe, the far east and North America but nearly all of the consortia had a British member. Well over half of the consortia had a strong base to the UK, sometimes through foreign ownership of British companies.

Twenty four of the systems proposed would involve a monitor mounted on an overhead gantry identifying and charging vehicles passing underneath. Most of these systems depend on microwave links but two use infrared and one a laser. These systems could debit a "smart card" or merely record a vehicle for billing later.

Three more companies have proposed satellite-based systems which would debit a smart card and which would not require roadside gantries.

Among companies which have put forward proposals are Unipess, a UK company; a group comprising News Datacom (UK) and CSEE Péage of France; and a consortium consisting of BT of the UK and AT/Comm a US manufacturer. Racal Radio, part of Racal Electronics has devised an automatic number plate recognition system.

Lloyd's new plan to collect debts

By Richard Lapper

Lloyd's of London yesterday unveiled details of a new tough commercial approach designed to recover more than £1.3bn in debt owed by its lossmaking Names, the individuals whose assets support the insurance market.

The new initiative, originally signalled in the summer, follows news earlier this year of a fourth successive year of loss, when losses of some £2bn were reported for the 1991 year – in line with its three year accounting system.

Although the market is now trading profitably, losses since 1988 amount to more than £7bn.

"Lloyd's duty to all its members, especially to those who have promptly settled their debts, is fairly to pursue those who have not," said Mr David Rowland, the chairman of Lloyd's.

A new financial recovery department will handle negotiations with more than 14,000 Names who owe money.

Those Names unable to pay their debts will still be offered financial support by Lloyd's, under so-called hardship arrangements.

However the hardship committee, chaired by Dr Mary Archer, is to be abolished and its functions assumed by the new department. Under hardship Names are allowed to retain a modest home (valued up to about £150,000 in London) and an income, typically in the region of some £17,500 for a couple.

Lloyd's has collected about £1bn over the last three months, mostly from some 17,000 Names who continue to underwrite, reducing the amount of outstanding debt to from £2.3bn to £1.3bn. Separately the market has additional declared losses of some £2bn, which Lloyd's has still to "call" from Names.

The new approach was condemned by lossmakers as "a switch to pressure tactics and deals."

"The object is to extract as much cash from Names as they can be persuaded to part with as quickly as possible," said Mr Christopher Stockwell, chairman of the Lloyd's Names Associations' Working Party, an alliance of hard hit Names.

Energis targets smaller companies

By Andrew Adonis

Energis, the UK's third long-distance telecoms network, will target small and medium sized businesses when it launches later this month, promising to undercut BT's prices and provide a new range of services.

The company, a subsidiary of National Grid, has built a 8,500km network using the grid's pylons, and claims its network is more modern than those of the two existing long-distance operators, British Telecommunications and Mercury.

The launch of Energis will greatly intensify competition in UK telecommunications, particularly at the lower end of the business market where Mercury has made far less headway against BT. Users with as few as four lines will be approached by the Energis sales force.

Energis intends to guarantee a saving of 10 per cent over BT prices – including volume discounts – to all users. Mercury also trades on lower prices than BT's, but its differential in parts of the business market is well below 10 per cent.

Energis has signed a preferred supplier agreement with Colt, a US-owned telecoms operator building a network in central London, which will give it access to large businesses in the City. Colt, which already connects 170 City sites, will use Energis for most of its long-distance traffic, while Energis will use Colt for its City traffic.

Energis will offer customers an innovative "telecoms management" service, giving them a month-by-month breakdown of calls made to their premises, including the proportion of calls unanswered and the average time before calls are answered, broken down into periods of the day.

It claims that no such service is currently available in the UK, and believes it will prove popular with organisations keen to track their efficiency at dealing with telephone queries.

Mr David Dey, Energis chief executive and former BT executive, said: "obviously we have to trade on price, but we will also be offering a range of new services."

Britain in brief

Durex in stock code agreement

LRC Products, manufacturer of Durex condoms, has given undertakings to the government not to enter into agreements under which wholesalers or retailers will stock only LRC condoms.

The company, which has about 75 per cent of the UK condoms market, was asked to give the undertakings by Sir Bryan Carsberg, director general of fair trading, following an investigation into the market by the Monopolies and Mergers Commission earlier this year.

The MMC found growing concern about Aids since government publicity campaigns began to 1987-88 had created an increasingly competitive market. Its findings prompted the government to lift price controls on condoms last March.

At the same time, however, the MMC found LRC's agreements with three of its customers that they should stock only LRC condoms acted against the public interest, and were attributable to a monopoly situation.

Mr Neil Hamilton, corporate affairs minister, said yesterday he had received undertakings from LRC that it would not give to retailers or wholesalers any material benefit - in the form of special payments or discounts - in return for not stocking condoms by any other supplier.

GMTV escapes sanctions

The Independent Television Commission decided yesterday not to impose sanctions on GMTV, the commercial television breakfast station on the grounds that there had been a "demonstrable improvement " in its service.

As part of its review of the first year on air of the new commercial broadcasters the ITC judged GMTV's performance to have been unsatisfactory. The Commission said there had been significant shortfalls in the required amount of news, current affairs and children's information and there was also concern about the quality of some strands of programming.

New orders for engineers

The UK engineering industry is showing a strong upward trend in output levels, new orders and capital investment, though employment levels are still flat, the Engineering Employers' Federation said yesterday.

However, the EEF warned in its budget submission that in spite of the recovery, the industry still needs policy support. The federation is recommending changes to the rules on corporation and capital gains taxes to order to boost investment.

In a new business trends survey of 1,700 of the EEF's members throughout its 13 regional associations, the federation aims to give a "quick and up to date" picture of the industry's fortunes to complement the government's more detailed statistics.

In the three months to September, the federation found growth rates in output and new orders are comparable to those last seen to 1987 and 1988.

IT jobs prove difficult to fill

Thousands of highly paid jobs in the information technology sector are proving difficult to fill following a surge in IT investment by UK companies, according to Visit (Vacancies in Systems and IT) a leading recruitment agency.

Visit, which is organising a recruitment event at the Olympia exhibition centre, West London, at the end of the month, says that exhibitors are seeking to fill over 1,500 vacancies for jobs paying £15,000 to £50,000.

Visit says that the recruitment position has changed quite suddenly over the past three months and is radically different from last year.

John Lennon tape sold

A brief tape recording of John Lennon singing with his first band, the Quarry Men, at a church social in Liverpool in 1957 sold for £78,500 at Sotheby's yesterday. It was bought by EMI, the Beatles record company, and will go into its archive.

Apart from the interest in hearing Lennon singing the Lonnie Donnegan hit of the day, "Puttin' on the Style", the event was momentous for being the occasion when Lennon first met Paul McCartney. The price was well below the £100,000-£150,000 estimate but assessing the value of such an obscure item is difficult.

18 companies in coal bids

British Coal's south Wales region emerged yesterday as its most popular bid target as government advisers announced that 18 companies had submitted tenders for the corporation's mining assets to be privatised later this year.

Although N.M. Rothschild, advising the government, would not reveal the identity or targets of the bidders, seven companies said they had submitted tenders for south Wales. Bids had to be in by Wednesday afternoon to be considered.

Four companies said they had bid for the central north region and three each for the north-east and cental south regions of England and Scotland. However the number of bidders for each region may be higher.

No surcharge over BCCI

The two officials of Western Isles council who were held responsible for losing £24m in the collapse of Bank of Credit and Commerce International in 1991 are not to be surcharged, Mr Ian Lang, Scottish secretary, has decided. He ruled that surcharging the two men – making them pay a financial penalty for their errors – would not be appropriate in the particular circumstances of the case.

TECHNOLOGY

Claire Gooding looks at a package that lets accountants take quick stock of client billing

Pick of a rich software crop

Discard the image of the insular chartered accountant so mocked by Monty Python comic John Cleese. Accountants, among others, are achieving a judicious mix of the personal touch and advanced technology with the help of new "groupware" communications software.

Levy Gee, the London-based accountancy firm, is less conventional than most. It was the first accountancy practice to advertise on the radio, the first to automate timesheets and billing and, it claims, the only one with more personal computers than people. Founded in 1969, the firm employs 260 staff, including 36 partners, served by 300 computers at home and in the office.

Connecting people and computers became a priority once Levy Gee had assembled several software building blocks dedicated to different functions. These included a billing system developed in-house, a packaged accounts system, an in-house system to assess work-in-progress and bills outstanding, plus an "executive information system" to give senior partners screen-based snapshots of the business.

[illegible] AT WORK

"In many respects the English professions have suffered from the prejudice against computers," says Ross Mullinger, head of Levy Gee's information technology consultancy. "We saw that there was an increasing IT input, and that our firm had to be more IT aware and, at the same time, distributed as widely as possible."

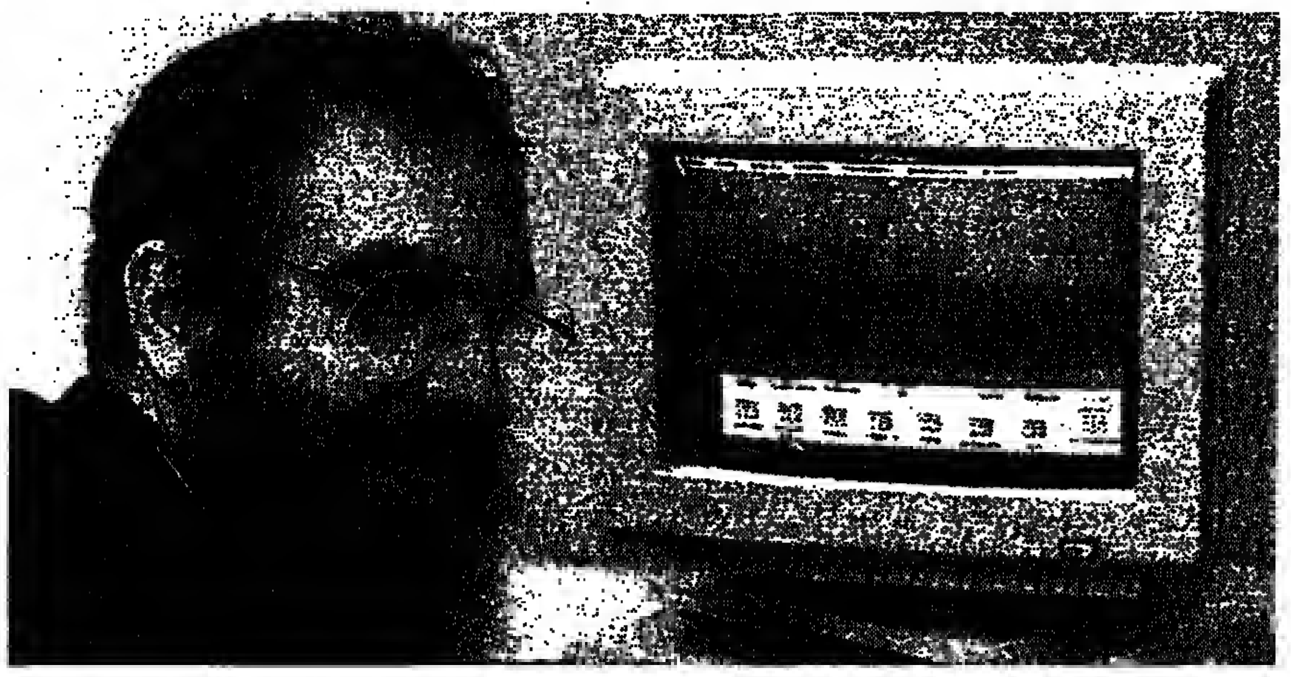
There had to be easy communication between all of its six UK offices, and between its UK base and its partners in the US. Many staff work from home and they needed to have as much immediate access to information as anyone working in the office.

The firm's main client base consists of small, typically family businesses. In the years of recession, its insolvency and consultancy arm has grown and now contributes 30 to 40 per cent of the bread-and-butter income. As well as this "hand-holding" service for companies in trouble, it has extended its activities to risk investigation on behalf of banks and corporate investors. Other activities include offshore services, financial services, a training company and a computer training division.

Levy Gee practised what it preached in the acquisition of a new accounting system, investigating its risks and assessing its functions. But it is the wider environment in which Levy Gee has embedded its accounting which makes it unusual. At the time of choosing its accounting software, the firm was also ready to upgrade its hardware.

While many firms were buying systems (usually the Unix multi-user standard) with a central processor supporting a number of terminals, Levy Gee decided on a PC-based local area network (Lan), linking its partners in the UK and abroad. This was to prove more flexible and expandable, because extra PCs could be tagged on to the system without having a significant upgrade.

It does, however, need expert management. The IT operation is run with six people, supporting six offices linked by high-quality ISDN (integrated services digital network) telephone lines.



Tony Andrews

Up to date: the new system, written as a companion to time billing, enables Jonathon Teller's department to see how much unpaid work is outstanding

Levy Gee's structure was also a factor in the choice of accounts package. Each partner runs a separate "department", typically of 20 people or so, and is responsible for the billing and profits of the business. "Each partner has his own fee ledger and manages the costs against it," explains Jonathon Teller, the partner responsible for information technology and finance.

From the moment of recording time worked to the putting out of an invoice, nothing goes on to paper. Clients get a breakdown of where time and costs are incurred. Time is billed in six-minute units and partners can inspect every detail of each itemised invoice.

The work-in-progress system, written as a companion to time billing, enables Teller's department to see exactly how much unpaid work is outstanding. Unlike payables, receivables are managed centrally: "It means you get a feel for the cash flow". A monthly debtors list goes round to the partners.

Work in progress outstanding of more than 45 days is frowned upon, and rarely does it extend to six months.

Levy Gee used to rely on handwritten timesheets, like most other firms. Now part of the assessment of performance is how well a partner and his department keeps up with billing, says Mullinger. "I think we were among the first to have a system in which every fee-earner input his own time into the system to raise his own billing."

The firm chose the components of its system by first assessing a shortlist of accounting packages which included Tetra, Systems Union, Pegasus, Multisoft and Sky. Flexibility and ease of use were important, with such a wide user base. But the firm says the main criterion was ease of data import and export, and it was on these grounds that the SunSystems package of integrated ledgers from Systems Union won the contract.

Levy Gee became the first user of the Lan-based version of SunSystems, with the SQL version – which allows it to upgrade from the smallest PCs up to large computers without changing software. With SQL, the daily bank balance report that used to take 40 minutes now takes 40 seconds.

The package is portable in that it can run on a variety of PCs. At Levy Gee, it integrates with Microsoft Office word processing package, Excel spreadsheet, Forest and Trees executive information system (published by ESP of Maidenhead), and the in-house software built for time-recording and billing.

The system operates on Lotus Notes – the communications framework integrating the voice mail system and all textual exchanges between users: forms, letters, E-Mail notes, extracts of accounts, even press cuttings. The company is working towards putting clients and other colleagues on to its own Lotus network. Lotus Notes is "the ideal glue to connect the systems together", says Mark Iwaszko, technical director.

It is clear that anyone joining Levy Gee who is not already familiar with computers must have a hard few weeks getting to grips with everything from Lotus Notes to the voice-messaging system. Notes has become the lingua franca of the company, used for everything from integrating data from the work-in-progress and accounting ledgers, to customising letters.

Notes has provided a discussion platform for ideas and is used to co-ordinate everyday work, such as auditing (audit files are replicated on Notebook computers so that staff working from remote offices can keep in touch with managers, and use the central database for reference and case-history). It acts as a meeting-place for minds and US colleagues use it as "a noticeboard" for clippings from the US information technology press.

Leon Nahon, a senior partner, also often works at home. Logging on, he is faced with a simple menu offering work-in-progress, time recording, work schedule, electronic mail and voice-messaging.

"The first thing I do is run through the messages and delete what's unimportant, then I check my schedule and get on with it."

As Nahon points out, one of the problems of such a rich choice is that he will never know every function, despite extensive training programmes. "I only send a fax every three weeks or so, and although I know I can do it from my screen, it's quicker for me to ask someone else to send it for me," he admits.

Training staff to use the equipment effectively was one of the hidden costs. The three switchboard staff, for example, have to be as comfortable with a PC as they are with the telephone and the voicemail system. They take incoming calls personally and only then offer the option of voicemail or computer messaging. Clients can choose to dial straight into the voicemail computer.

Levy Gee says its investment of more than £1m in the IT infrastructure over the past three years has been more than offset by the returns in administrative and staff savings.

However, Mullinger insists that cost is the least important aspect of the IT initiative. "The systems make our staff more effective," he says. "But we didn't do it just to save on costs. We did it to prepare ourselves for the 21st century. Its real value has been in our competitive positioning."

Worth Watching · Vanessa Houlder

Two channels on a single recorder

Arguments over clashing television schedules could be eased by the development of a multiplexer unit for home videos that allows two television channels to be recorded simultaneously. The unit, which combines 3D recording techniques and computer memory chips, allows the user to record over an existing programme without erasing it.

The technology, which was devised by 3D Video Plus, a Kent-based recording technology company, is being marketed by Foxmark International, a Tokyo consultancy.

Foxmark: Japan, tel 3 3578 8400; fax 3578 9011

Wave goodbye to crackly music

Anyone tired of waking up to scratchy music on the radio alarm clock will welcome a new product by Bose, the Boston-based sound system manufacturer, writes Victoria Griffiths.

The clock radio, the first to make use of 'wave' technology, sounds better than most stereo sets. Wave technology filters the sound through a twisted plastic tube and has inspired the miniaturisation of high-quality speakers. The product was launched in Europe this week, at a cost of about $500 (£322.50).

Bose: US, tel 508 879 7330; fax 508 872 6541

New research on proteins

Scientists working for the Medical Research Council's cellular immunology unit in Oxford have found that the interactions between proteins on cell surfaces of the immune system are far weaker than had been assumed.

The research team has been examining proteins, known as adhesion molecules, which are distributed on the T lymphocyte, a white blood cell which patrols the bloodstream looking for viruses, bacteria and foreign materials, known as antigens.

The findings, which were disclosed in this week's *Trends in Biochemical Sciences*, are expected to be important in the design of drugs based on inhibiting adhesion molecules, in diseases such as rheumatoid arthritis where the immune system mistakes the body's cells for antigens.

Medical Research Council: UK, tel 071 636 5422; fax 071 436 6179

Sending images down the phone

A video modem which will allow colleagues to view graphs and charts during business calls has been devised by Sharp, the Japanese corporation. Its TelePort video modem allows colour images to be sent and received during a standard telephone call.

The modem, which is connected to Sharp's ViewCam and a telephone line, can be used to transmit live and pre-recorded video stills. The device incorporates a built-in memory capable of storing up to 10 images for transmission at a later date.

Sharp Electronics (UK): UK, tel 061 205 2623; fax 061 205 7076

Monsanto's $1m challenge

Monsanto, the US chemicals group, is offering $1m to any scientists who devise a successful method of separating and recovering ammonia from waste streams containing organic chemicals.

Monsanto said the problem was "one of the industry's most vexing environmental questions". Although the mixtures of ammonia and organic chemicals are not necessarily highly toxic, they comprise some of the largest volumes of Monsanto's industrial waste.

Monsanto plans to provide $500,000 to fund the development of the research proposals which meets the company's criteria in the most cost-effective and commercially practicable manner.

A second $500,000 will be paid if the research yields a successful process. Proposals must be submitted by the end of the year.

The Monsanto Million Dollar Challenge: US, tel 314 426 6500; fax 314 426 6565

PROPERTY

Better luck next time

Simon London on whether banks will fuel the property cycle

The boom-to-bust property cycle of the past decade was – like the wider UK economic roller-coaster – fuelled by debt. Bank lending to property companies peaked in May 1991 at £41bn, or nearly 13 per cent of all commercial lending, which left the industry more highly geared than ever before.

The reasons for this debt explosion are complex. The reluctance of pension funds and insurance companies to invest in property meant that equity funding was scarce. The development boom of the late 1980s meant that the industry's thirst for finance was great. Encouraged by the high margins which could be earned in property lending, banks were only too willing to fill the funding gap.

Yet the experience of the past four years underlines that excessive reliance on debt makes an already cyclical business truly vicious. As capital values fell there was simply not enough equity in the industry's funding mix to take the strain. Receiverships were the inevitable outcome.

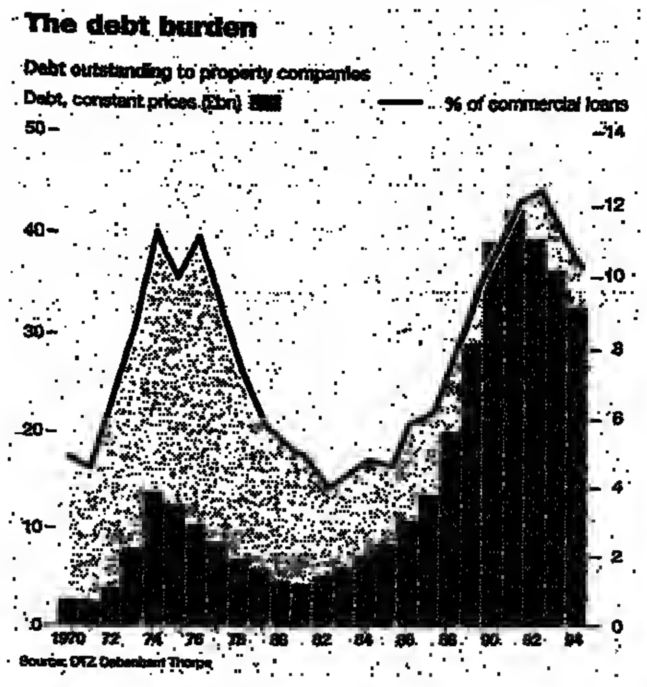
The questions, then, are whether banks will be asked to finance the property cycle this time around and whether they will be prepared to do so on terms that companies find acceptable.

There is certainly no reason to expect domestic investment institutions to suddenly regain their enthusiasm for property. The recent flow of institutional funds into property looks more like a tactical response to rising asset values than the start of a long-term trend. While overseas institutions have been high-profile investors in UK property throughout the downturn, their interest waxes and wanes.

The London Stock Market has already done its bit: property companies have raised almost £3bn in rights issues and flotations in the past 18 months, which explains why demand for bank finance is currently weak. But this infusion of equity will not last for long.

All this suggests that banks will, before long, find property companies queueing for loans. Initially, at least, many of these potential borrowers will not be welcomed with open arms.

The overhang of debt remains a problem. By the spring of this year banks had reduced their property lending to £33.5bn, or 10 per cent of all commercial loans. But many of the biggest lenders still feel over-exposed.



Source: DTZ Debenham Thorpe

Barclay's, the most enthusiastic of the clearing banks in lending to property in the late 1980s, had £6.3bn loans outstanding to UK property and construction companies at the end of its last financial year. That was equivalent to 9 per cent of total UK assets – personal as well as commercial loans. With lending elsewhere in the economy still weak, property loans will clearly have to be rationed if that percentage is going to fall.

None of this implies that clearing banks are unwilling to lend to the right customers on the right terms.

"We are active lenders into the sector but in a more selective way, concentrating on relationships where we can do more than provide plain 'vanilla' [no frills] loans," said Mr Ian Marcus, director at Natwest Markets.

Overseas banks – led by the German mortgage banks – took advantage of the clearers' caution to carve valuable niches for themselves. The number of foreign banks in London lending to property companies has increased further over the past year. Lending margins have already narrowed as a result.

But there is no sign of margins sliding as banks compete aggressively for business. For the moment, at least, the lessons of recession are still fresh.

Bankers now recognise that they need to earn a decent return on capital," said Mr Mark Burton of United Bank of Kuwait. "If a bank is taking equity-style risks it should insist on an equity return."

That points to more differential pricing, with riskier property companies paying much higher margins than their more established peers.

The cautious attitude of banks towards development finance is also likely to favour the bigger borrowers. While most banks have a blanket ban on funding speculative developments, they are happy to support such schemes through their general-purpose loans to the big quoted property groups.

The rise of relationship banking is part of the reason. Big property companies will buy other services, such as corporate finance advice or treasury management products, helping the bank to earn its all-important return on capital.

This attitude is in marked contrast to the late 1980s, when banks were happy to back the rise of small, entrepreneurial developers such as Rosehaugh and Stanhope.

How long this mood of caution prevails depends on whether the lessons of the slump are enduring. With the benefit of hindsight it is clear that many banks did not understand the risk they were taking.

"A margin of 2 per cent over interbank rates looked terrific back in 1989 because the returns on other types of lending were so low," said Mr Richard Lovell, head of property at Industrial Bank of Japan. "But banks lending 80 per cent of value at the peak of the market were providing risk capital as well as senior debt."

One test will be whether loan-to-value ratios of 60-70 per cent – the norm for investment deals struck over the past year – creep higher. Given the highly cyclical nature of the asset it would probably make more sense for loan-to-value ratios to fall as property prices rise.

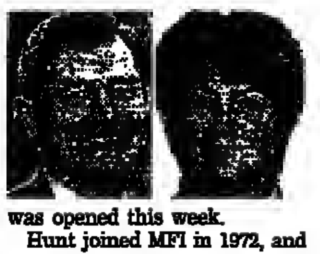
Greater understanding between valuers and bankers would probably help avoid the worst excesses of the last cycle. Valuation Guidance Note 12 – produced earlier this year by the Royal Institution of Chartered Surveyors and the British Bankers Association – replaces "open-market valuation" with a forward-looking "estimated realisation price" (the price that might be achieved if the property was put on the market immediately).

More important, the guidance note suggests that the valuer comments on trends which could effect the realisation price – which should surely include an opinion on whether the market is heading for a fall.

If that provides banks with timely reminders of where they are in the cycle, the wider property market will surely benefit.

PEOPLE

MFI builds its boardroom table



MFI, the furniture retailer floated on the stock exchange two years ago, is shaking up its senior management and appointing its first female finance director.

The announcement was made at yesterday's annual meeting, where MFI gave a very positive statement on current trading. It said that although sales were less buoyant in July, strong turnover in August and September meant sales for the first 19 weeks of the current year were 10 per cent ahead of last year.

Derek Hunt is relinquishing the role of chief executive but remains executive chairman. He will thus have more time for strategy, for example, on investigating opportunities in France, where the 52nd store was opened this week.

Hunt joined MFI in 1972, and in 1973, as branch operations controller, earned notoriety during the miners' strike by delivering generators to all MFI stores. He became group managing director in 1981, before moving to Asda following the merger with the supermarket group in 1985. He returned to MFI in 1987 to head the £780m management buy-out.

Responsibility for day-to-day management of the business passes to John Randall (right), promoted from finance director to group managing director.

Randall is to be replaced as group finance director by Sue Murphy (far right), for the past six years finance director of the retail division.

Randall, 48, trained as an accountant at Spillers before joining MFI in 1978. He became finance director of the retail business in 1982, and group finance director in 1987 at the time of the management buy-out.

Murphy, 37, worked previously at Rank Xerox, Overseas Containers, and IBM. She joined MFI in 1984 as a management accountant and in 1985 became chief accountant. She was appointed retail finance director in 1987.

Sir Sydney Lipworth to be chairman of Zeneca

Pharmaceutical company Zeneca has ended a long search for a chairman to replace Sir Denys Henderson when he retires at the company's annual meeting next May. His successor is Sir Sydney Lipworth (above), the former chairman of the Monopolies and Mergers Commission.

Zeneca was demerged from chemicals company ICI last year and yesterday's appointment increases the difference between the two. Sir Denys, currently chairman of both and an ICI man all his working life, is replaced at ICI by Ronnie Hampel, also a company man. South African-born Sir Sydney has been a director of at least six companies, ranging from BAT Industries to J. Rothschild Holdings.

Furthermore, Sir Sydney will be a part-time and non-executive chairman, with Zeneca chief executive David Barnes solely in command.

Sir Sydney, 63, is already a non-executive director of Carlton Communications, deputy chairman of National Westminster Bank and chairman of the Financial Reporting Council.

He graduated from the University of Witwatersrand, Johannesburg and practised as a barrister before moving to the UK in 1964. He was a director of Abbey Life Assurance group before he co-founded Allied Dunbar, now one of the UK's biggest insurance companies.

Sir Denys is 62 next month, the normal retirement age for Zeneca. He said in January that he would take over the chairmanship of the Rank Organisation when he left ICI and Zeneca.

■ **Michael Beckett**, 58, a former managing director of Consolidated Gold Fields, has added to his reputation as a bit of a trouble-shooter by taking on the chairmanship of Greycoat, the property developer which was rescued from the brink of collapse last November.

The company, which completed its financial restructuring earlier this year, has been looking for a new chairman for several months. Geoffrey Wilson, who founded the company and turned it into one of London's most ambitious property developers, retired in April and was replaced on an interim basis by George Constantinidi who has been a director since 1982 and will remain on the board.

Beckett has a history of joining boards of troubled companies, often at the behest of the institutional investors. However, sources close to Greycoat suggested that the institutions had not played any role in Beckett's latest appointment. He is already chairman of Watts Blake Bearne, Horace Clarkson and Monarch Resources and sits on the boards of several other companies including Queens Moat Houses, Amstrad and Ashanti Goldfields.

■ **Floris Maljers**, 61, who retired in May after ten years as chairman of Unilever NV, has been appointed a non-executive director of GUINNESS. He already sits on the boards of Philips Electronics, KLM Royal Dutch Airlines, ABN/Amro Bank and Amoco Petroleum (Chicago).

■ **Sir Chips Keswick** (below), chairman and chief executive of Hambros Bank, has been appointed a non-executive director of IMI.

Leaving the ship of state

P&O, the international shipping company, has acquired a senior civil servant as its new director of corporate affairs in the shape of Peter Smith, principal private secretary to Michael Heseltine, trade and industry secretary since April 1992.

Lord Sterling, chairman of P&O, has long-standing connections with the DTI, having acted for many years as an adviser to the department, and has known Smith for many years.

Smith, 42, will join P&O on September 26 to fill the gap left earlier this year when his predecessor Peter Thomas retired to his native Australia. Lord Sterling is maintaining the link through his senior PR man because Smith, while born in the UK, was brought up in Australia.

In his new role Smith could well find himself exchanging words with his former employer. British shipowners have been vociferous in their condemnation of what they see as the government's neglect of the Red Ensign and are continuing to press for tax breaks.

Smith studied philosophy and mathematics at the Australian National University before going on to complete a PhD in philosophy at the University of St Andrews. He has been at the DTI since 1978, working in the fields of overseas trade promotion, industrial policy and company law.

In 1989 he took over responsibility for telecommunications policy and prepared the government's white paper on telecoms in the 1990s.

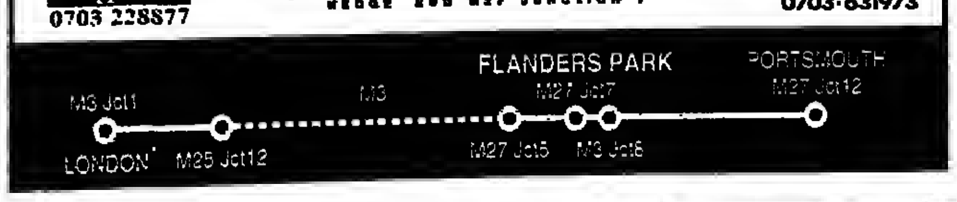
■ **John Featherstone**, chief executive of Argus Newspapers of South Africa, has been appointed to the board of INDEPENDENT NEWSPAPERS.

■ **John Langlands**, formerly finance director of Eclipse Blinds, has been appointed finance director of BRITISH POLYTHENE INDUSTRIES.

■ **Jeremy Dawson**, md of Rothschild Ventures, has been appointed finance director of REDROW GROUP, of which he has been a non-executive director; he succeeds Paul Pedley who becomes group md.

■ **Roger Thomas**, formerly vice-president, Europe for Philip Morris, has been appointed group md and ceo of RIZLA.

COMMERCIAL PROPERTY



LEGAL NOTICES

NOTICE TO CREDITORS TO SEND CLAIMS
DERIVATAN LIMITED
(IN LIQUIDATION)

NOTICE IS HEREBY GIVEN that the creditors of the above named company are required on or before 31 December 1994 to send in writing their names and addresses and the particulars of their debts or claims, and the names and addresses of their solicitors, if any, to Timothy Richard Harris of Coopers & Lybrand, Hillgate House, 26 Old Bailey, London EC4M 7PL the Joint Liquidator of the said company, and, if so required by notice in writing from the said Joint Liquidator, or by their solicitors, or personally, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

All known creditors have been or will be paid in full.

DATED: 12th September 1994

Tim Harris Joint Liquidator

INSURANCE COMPANIES ACT 1982
MUTUAL OF
OMAHA INTERNATIONAL LIMITED
TRANSFER OF GENERAL BUSINESS

1. NOTICE IS HEREBY GIVEN that Mutual of Omaha International Limited applied to the Secretary of State for Trade and Industry on 9 September 1994 for his approval, pursuant to Part II of Schedule 2 C to the Insurance Companies Act 1982, to transfer to Mutual of Omaha U.K. Limited all of its rights and obligations under policies written by it in the United Kingdom prior to 9 September 1994.

2. Copies of the statement of particulars of the proposed transfer are available for inspection at America House, 2 America Square, London EC3N 2LU from 9.00am to 5.00pm from Monday to Friday (public holidays excepted) until 16 October 1994.

3. Written representations concerning the transfer may be sent to the Secretary of State for Trade and Industry, Department of Trade and Industry, Insurance Division, 10-18 Victoria Street, London SW1H 0NN before 15 November 1994. The Secretary of State will not determine the application until after considering any representations made to him before that date.

NOTICE OF ADMINISTRATION ORDER
TEAM LOTUS LIMITED
REGISTERED NUMBER: 2441483
Nature of business: Motor Racing Team
Trade classification: 8822
Administration order made 12 September 1994
N H COOPER and N RUDDOCK
Joint administrators
Office holder numbers 005399/01 and 6877

CONTRACTS & TENDERS

City of Westminster

COMPETITIVE TENDERING
OF HOME OWNERSHIP SERVICES

The contract to provide Westminster City Council's Home Ownership Service is to be re-let from 1 April 1995.

The service, currently provided from the Home Ownership Centre in Victoria, London SW1, combines sales administration, counselling and mortgage advice for purchasers under a number of schemes ranging from the Right To Buy scheme for sitting tenants, to a Voluntary Home Sales scheme for first time buyers. The service also provides a cash incentive scheme for Council tenants to purchase on the open market.

Since the City Council launched its home ownership policy in 1973 7,000 sales have been completed, mainly under the Right To Buy. It is anticipated that 400-500 sales and grants will be completed each year throughout the new contract period.

To receive an information pack and questionnaire, interested parties should respond by 7 October 1994, enclosing details of company accounts, to:-

Westminster City Council Acting Director of Housing
83 Victoria Street London SW1 0HW
Ref: H/HOM/AJW

A short list will be compiled and tender submissions will be invited in due course.

THE MINISTRY OF
ENERGY AND MINES OF ECUADOR
&
PETROECUADOR

The Ministry of Energy and Mines of the Republic of Ecuador and Petroecuador invite National and foreign companies which are capable of exploring and producing hydrocarbons, to register in order to be pre-qualified to participate in the international bidding round for production and additional exploration of producing fields in Ecuador.

Interested companies can register in person or by Fax at the Marginal Fields Contracting Unit located at: Santa Prisca 223, Y Manuel Larrea, 4th Floor. Tel: (593-2) 584.439/584.860 Fax: (593-2) 582.511. The deadline for registration is September 30, 1994.

Companies that are registered can make an appointment to see the technical data on the fields to be tendered up until September 30, 1994.

COMPANY NOTICES

CANADIAN PACIFIC LIMITED

At a meeting of the Board of Directors held today, a quarterly dividend of eight cents (8c) Canadian per share on the outstanding Ordinary Shares was declared, payable on October 28 1994, to holders of record at the close of business on September 27 1994.

BY ORDER OF THE BOARD
O J DEEGAN
VICE-PRESIDENT AND SECRETARY
CALGARY, ALTA., SEPTEMBER 12TH 1994.

SPANISH 4% EXTERNAL LOAN
(1974 Issue)

The coupons due 1st October 1994 may be presented for payment at Banco Exterior de Espana S.A., 6 King Street, London EC2V 8HB between the hours of 10am and 2pm.
London, 16th September 1994.

Michael Smith looks at the post-privatisation shake-up in the coal industry

Miner changes

Kevin Duncalf, underground locomotive driver and loader at Hem Heath colliery, Staffordshire, recalls with frustration his employment at British Coal. "For half the shift I was doing nothing. I used to die of boredom," he says.

Today his work keeps him fully occupied. "I am doing three jobs each day, whereas previously I worked on just one," he says. He is working at the same pit, but with a different employer – Coal Investments, a company which has taken over five former British Coal mines.

Managers say Duncalf is working twice as hard as he used to. While not everyone at the pit has been able to double their productivity, every worker has made some progress, says Coal Investments. The company, in common with most bidders for mining assets, sees fundamental changes in working practices as essential to future success.

The leasings by Coal Investments and others, at a total of nine mines, are seen as the prelude to full privatisation later this year, when the government will sell off British Coal's remaining 16 deep mines. From a peak of about 1m workers at the turn of the century, just 10,000 underground workers will remain in the industry.

It is inevitable that those remaining miners will be asked to work more effectively and, in some cases, for less pay. Demarcation lines between workers will be eroded and the role of unions will change. Coal Investments' changes in working methods, therefore, may provide an indication of things to come.

The company is by no means anti-union: it has submitted a joint bid with the Union of Democratic Mineworkers to buy two British Coal regions in the full privatisation. But it has not negotiated with unions over pay rates at its existing pits and has no plans to do so.

Unions will still be allowed to represent their members, but John Warwick, company production director, argues that the need for unions is limited. "The strength of unions comes from management abnegating its responsibility. If management is doing its job there is no need for unions," he says.

There are new attempts within the company to build a partnership. Miners are now on Christian-name terms with their bosses, and there is no segregation in the showers, as there used to be, between different ranks of workers.

Improved communications are aimed at further reducing the perceived management-worker divide. Although there are no formalised team briefings, managers are expected to tell the men about share price, unit costs, production figures and development targets, and even the prices of raw materials.

Mitch Lysek, who works on coal-face cutting machinery at Silverdale pit, also in Staffordshire, says: "When I worked for British Coal, I had no idea what the price of materials was. Now I know how much each nut and bolt costs and how much steel is in stock."

With access to this information, managers argue that workers are less likely to waste materials. Says Lysek: "If Coal Investments does not make money then nor do we. British Coal was different because it was a government concern."

The comments come from a man who is no fan of privatisation. But Lysek is learning to live with the new regime. Like locomotive driver Duncalf, boredom is now less of a problem. "Because we have to be more flexible the day goes quicker," says Lysek.

Flexibility also makes it possible for Duncalf and a colleague to perform duties previously carried out by seven men (although the loads handled are smaller). In British Coal days, Duncalf did each of the three types of task, but was able to do just one on each shift. Now, with demarcation lines eroded he can do all three in a single shift and it is easier for workers to call on each other and supervisors for assistance.

John Potter

Facing the future: changes in working practices may indicate things to come

But in contrast to the experiences of Duncalf and Lysek are some workers who claim that their work has changed little. "We were already working hard for British Coal. We could scarcely work harder," says one miner.

And some changes have yet to fulfil their potential. In the Silverdale pit a group of three workers operates a tunnelling machine that previously occupied five men. Managers want them to increase tunnelling speed from 3m a shift to 4m.

A few operators appear disgruntled that they are being asked to be more productive for less pay than they earned with British Coal and this could be a potential problem for Coal Investments.

Indeed, miners' money is so far substantially less: Warwick says that some British Coal employees can take home more than £500 a week after overtime and bonus pay. At Coal Investments, which has rationalised 14 British Coal pay rates to four, the gross maximum for miners working a six-day week is about £282.

The company expects to bridge the earnings gap through an employee share ownership plan, profit-related pay and, when full production starts next year, productivity bonuses. These promises of plenty appear to satisfy most employees who are, anyway, grateful for the chance to be working down a mine again after a spell outside the industry.

Management-friendly comments are predictable at a young company enjoying a honeymoon with its workforce. The real test of the culture transformation claims will come if the company runs into production or marketing difficulties and has to disappoint its workers' expectations of high rewards.

CORRECTION

Phillip Wright, whose comments were reported in an article on Sept 9 ("A special City club"), was not at the time employed at Banco di Sicilia, and is not due to commence employment there until 26 September. Banco di Sicilia is an equal opportunities employer and is in no way associated with the comments made.

Getting to grips with a killer disease

The incidence of testicular cancer has doubled over the last 20 years, writes Carol Cooper

HEALTH CHECK

When asked to name the commonest cancer in men under 45, most people get it wrong, I concluded at a recent dinner party. My question killed the conversation dead, but it highlighted the importance of testicular cancer.

One man in 450 will develop this cancer before the age of 50 and more than 1,400 new cases are diagnosed in the UK every year. The incidence is even higher in other northern European countries, notably Denmark, Germany, Switzerland, Ireland and Luxembourg.

Testicular cancer is generally treated with a combination of surgery and chemotherapy, with great success. (Sterility is the rule for a year or two after treatment, but the long-term outlook is excellent.) Around 95 per cent recover completely and many father children. Unfortunately, results are less good when the disease is advanced. In 1992, this cancer killed 123 men in England and Wales.

One man in 450 will develop the disease by the age of 50 and 1,400 cases are diagnosed each year

Few men examine themselves regularly – only 3 per cent, according to an Imperial Cancer Research Fund (ICRF) study. As for breast disease, the value of self-examination is disputed, but many authorities now recommend it on the basis that it is important to be familiar with one's own anatomy.

Signs to be taken seriously include swelling of one testicle, or a lump on the front or side. Sometimes there is real pain, but often there are only vague symptoms such as dull ache, heaviness, or change in feel.

Unfortunately, men are reluctant to go to the doctor and may have to be propelled into the surgery by wife or girlfriend. Many men, perhaps believing that the symptoms will go away, leave things too late – over half of all those with testicular cancer present after the tumour has spread. This cancer does not spread to the easily felt lymph glands in the groin, but to those around the aorta, deep within the abdomen. This is entirely logical given that the testicle originates embryologically from that area.

In the last 20 years, the incidence of testicular cancer has doubled. It is rising, especially in younger white men and in higher social classes, for reasons which are unclear. Nobody knows the cause of testicular cancer, but risk factors are coming to light.

Until recently, an undescended or partly descended testis was one of the few known causal factors. If left surgically uncorrected beyond the age of 10 or so, this condition roughly trebles the risk of testicular cancer – even on the side which appears normal.

Heredity appears to be even more important and a history of this cancer in a close relative calls for extra vigilance. Sons of men with the disease are four times as likely to develop it, while brothers of those affected are nearly 10 times as likely to do so.

In the hope of finding a gene for it, a research project is now being carried out into families with two or more members with testicular cancer. Sixty such families have been identified so far in Britain and the Cancer Research Campaign (CRC) and ICRF are on the lookout for more.

Over the years, there have been worries about the possible effect of mumps, vasectomy, injury and heat (especially in the form of tight trousers, hot baths and central heating).

A leading study from the UK Testicular Cancer Study Group looked into the medical and social histories of nearly 800 men with the disease in nine British health regions. The findings were reported in May in the British Medical Journal and this month in the British Journal of Cancer.

There seems to be no association between testicular cancer and either heat or mumps (even after puberty, when orchitis, as it is known, is more likely). But a history of any sexually transmitted disease appears to double the risk of this cancer. There is also some relation between infertility and testicular cancer, but it is not yet clear whether this is cause-and-effect. Men contemplating vasectomy, however, should be reassured – there is no evidence of a link.

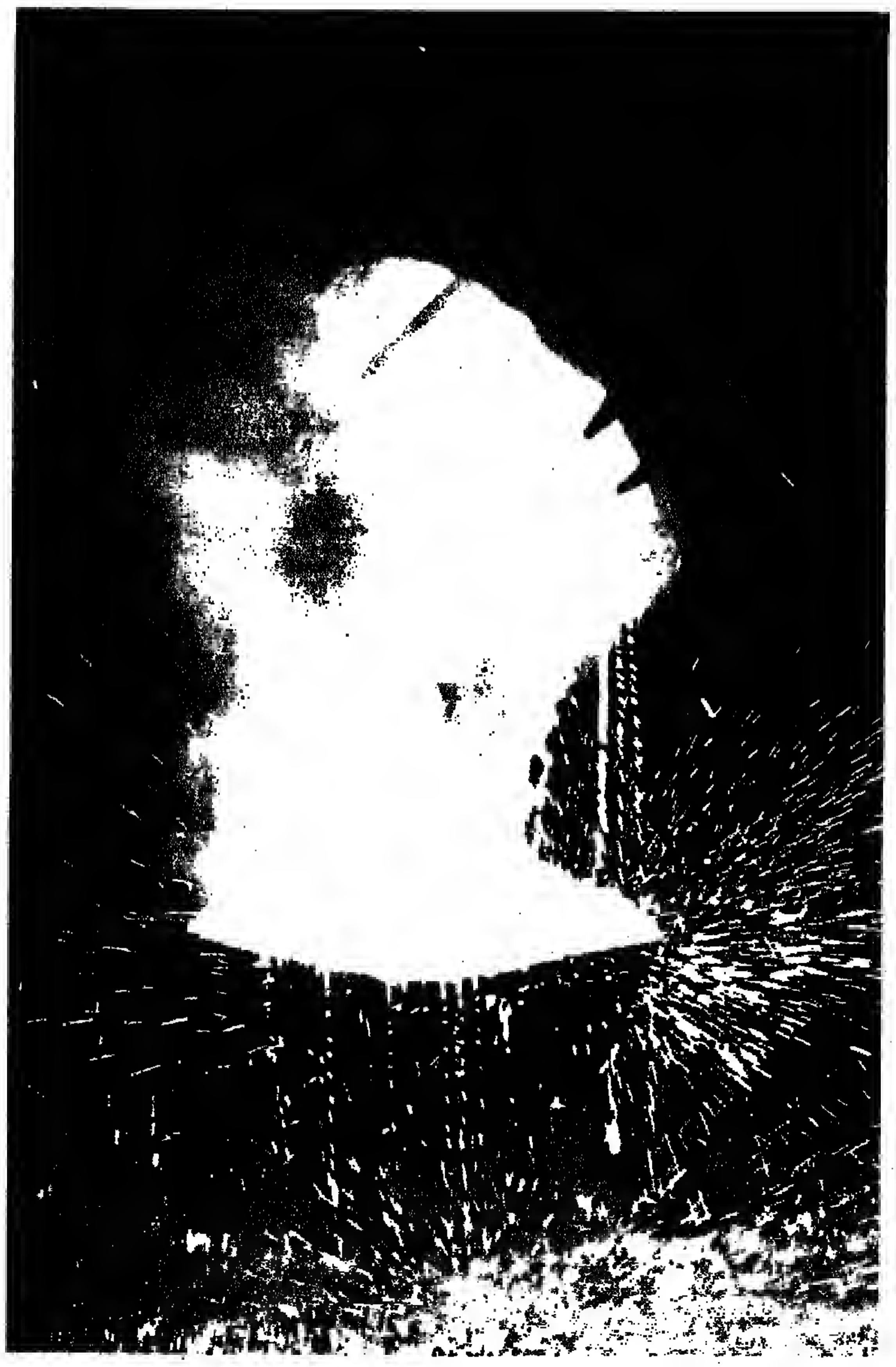
The study suggests that regular exercise could have a protective effect – men who exercise for 15 or more hours a week had a substantially lower incidence. But injury to the testis can double the risk. This could be significant in some sports, although there are not yet enough data on which to base firm advice.

The disease is increasing, especially in younger white men and in higher social classes,

Finally, there is some suggestion that an early puberty is an important risk factor. This ties in with the theory that high levels of gonadotrophin hormones from the pituitary gland may stimulate cells in such a way as to promote cancerous change. And since puberty is occurring earlier these days, often well before the standard age of 14 in boys, it is also consistent with the rising trend in testicular cancer. However, there is unlikely to be a single cause for this cancer or, put another way, one remains to be discovered.

For more information about testicular cancer, contact ICRF, PO Box 123, Lincoln's Inn Fields, London WC2A 3PX. Tel 071 242 0200.

The author is a London general practitioner.



Insurrection at the Bolshoi

The world's greatest ballet company is in crisis. Clement Crisp reports

The news from the Bolshoi Ballet in Moscow has an oddly second-hand air, as confrontation and argument wing round the handsome head of Yury Grigorovich, director of the Ballet. Allegations and counter-allegations have been exchanged during the summer between Grigorovich and the theatre's general director, Vladimir Kokonin, with dancers adding their two-kopek's worth. These are the high-lights of a very real crisis, the worst for many years in the Moscow ballet's history.

They are, though, par for the course when considering Grigorovich's 30 year tenure as absolute master of the ballet-troupe. There have been in the past equally tense confrontations, equally vehement allegatione of autocracy, favouritism, and almost any other artistic crime that came conveniently to hand. Maya Plisetskaya, for decades tha troupe's most illustrious ballerina, has long inveighed against Grigorovich, as has Vladimir Vasiliev, one of the greatest of Bolshoi stars. Seven years ago, an insurrection was started by Bolshoi dancers dissatisfied with Grigorovich's policies and the dominance of his ballets in the repertory, with much coverage of the struggle in the newspapers. I was in Moscow at the time, and one of the ballerinas told me of the alignments of forces, pro and anti, adding "I am one of Yury Grigorovich's eoldiers". Her career depended on this fact.

Yury Grigorovich has been autocratic in his direction of the company. He said to me once: "I have 250 dancers, and that is 250 temperaments!" His view, and in the context of the Soviet society in which he worked it is wholly understandable, was that his decisions must be firm and unchallenged. The pre-Grigorovich Bolshoi, which we saw on its first London visit in 1956, was a marvel, brimming with great dancers, but it was stylistically dated and looked ponderous. Grigorovich, who took command in 1964 at the age of 37, had already produced a series of successful ballets in his native Leningrad. (The first Kirov Ballet season in London in 1961 had shown his stripped-down, innovative *Stone Flower*). As director and chief choreographer at the Bolshoi, such ballets as *Spartacus, Ivan the Terrible, The Golden Age* and his re-stagings of the 19th century classics, gave the company a leaner, more modern look.

For three decades Grigorovich's Bolshoi triumphed wherever it played, the flag-ship of Soviet culture. And through the Brezhnev years of "stagnation" and artistic inertia, Grigorovich kept the blood pulsing through the veins of this monolithic organisation. His services to the company, his achievements in the context of Soviet policies towards the arts, cannot be denied – though his detractors (in tha West as well as in Russia) have had a merry and mindless time trying to do so.

But with the crumbling of the old order, with the arrival of market forces and the intoxications of free speech and free travel, Grigorovich's absolutism has seemed more like a relic of bad old days. His company haemorrhaged stars: such wonderful artists as Maximova and Vasiliev, Semenyaka and Mukhamedov, Ananiashvili, Posokhov, Fedotov, Liepa, have left, and return to their mother stage rarely if at all.

The desperate need to earn foreign currency has sent the troupe on more and more tours, expensive to undertake and prohibitive to watch – and brought the alarming failure of a proposed British visit this summer.

The Bolshoi Ballet, which has just gone into rehearsal for the new season in Moscow, is still Russia's pride, and an example of the highest aspirations of classic dancing, but it is undeniably shaken by events that it seems barely able to comprehend let alone master.

In an intriguing parallel with the dramas now playing at the Opera Bastille in Paris, Vladimir Kokonin, the Bolshoi's general director, is seeking to establish control of the theatre's activities through a contractual system which will engage both administrative and performing personnel on a yearly basis. And so serious and urgent is the situation that President Yeltsin is issuing decrees concerning the future running of the theatre, its opera and ballet troupes. The old autocracy is under threat, and with it Grigorovich's power.

What has not gone, and it forms a tragic parallel with so much else in the new Russia, is the other huge problem for the Bolshoi: the lamentable state of the theatre's fabric.

Reports have spoken for years of the subsidence of the building. (There was talk in the mid-80s that the theatre was to be closed for a long period of reconstruction.) The electric wiring is known to be antique and fallible. A Moscow friend tells me that it is now thought unwise to go under the stage. Last summer Yevgeny Rodionov, Russian vice-minister for culture, and Vladimir Kokonin went to Paris to discuss with Unesco the best means of saving the theatre. Thus far we have heard of no immediate remedies for the situation.

The picture for those who love the Bolshoi Theatre and everything it means in ballet and opera, and in Russia's artistic life, is distressing. It seems symbolic of the state of Russia as it sets about rebuilding itself. And, ironically, what the ballet company needs now is the Grigorovich of 1964: gifted, passionately committed to his art, and able to shape the company for the future.

Opera/David Murray

'Tosca' without tears

Puccini's opera is newly produced at the English National Opera by Keith Warner and the American designer John Conklin, not to mention the lighting-man Alan Burrett. "For whom?" might be the question; and the answer might be, "For post-modernists who prefer to have their withers left unwrung."

This is a very cool, knowing production, to the point where the end of each act is graced, guyed or sabotaged (take your pick) by a campy graffito. At the climax of the Act 1 "Te Deum", the Madonna statue comes to life as the Tosca of Scarpia's lustful fantasies; after she murders him in Act 2, the candles she places eerily about his corpse are taken from the footlights of the little theatre glimpsed earlier at stage rear (nudge, nudge); and far from leaping from the Castello's parapets to her death in Act 3, she freezes before a soldier's rifle – but behind her a balletic double is seen falling, falling, falling in slow motion.

Each of these Producers' Ideas dampens any sympathetic, suspended-disbelief response pretty smartly. I imagine they were meant to – and by all three of the men responsible, since their respective contributions merge unidentifiably at the crucial moments. Elsewhere they go their own ways: Warner directs the action in robust, cartoon-realistic style, Conklin festoons it with a calculated jumble of icons from the Renaissance to De Chirico, and Burrett laces it with hallucinatory lighting, lurid and abrupt.

The principal singers found their ways through this minefield with all due caution. As the luckless hero Cavaradossi, David Rendall did that with special disarmingness: though our indulgence had been begged for his allergy-ridden throat, the missing degree of volume could not hava added much to his seasoned, lyrically heartfelt warmth and despair.

Rosalind Plowright's heroine was more problematic: Her forceful soprano, with its characteristic rasping edge, is right for much of the *monstre sacrée* rola, and her nervy volatility too – and she delivered a creditable "Vissi d'arte"; but Tosca also needs frank passion and a touch of self-mockery which do not lie within Miss Plowright's English-cool, evan English-prissy range.

Much the most striking of the leads was the Scarpia of Henk Smit, a Dutch import. It is essentially a comic creation, properly monstrous from time to time but undercut by the eager, dapper, schoolmasterly quick-march that regularly takes him from point A to point B. The whole performance is so sardonically knowing as to place it between permanent inverted commas; we relish his act, but are never seriously frightened.

Smit's English is excellent to a fault, reminding us that our language – into which Warner and his wife Emma (or sister? the programme-book is coy about that point) have translated Illica's text crisply and colloquially – just *does* have bumpier, more intrusive consonants than Italian in all the longer words. Smit barks through the bumps, not minding them; Miss Plowright does her best to sail past them: Rendall manages somehow to assimilate them smoothly into his fervent lines.

Too long unheard in London, Sir Alexander Gibson conducts the score to expert effect, with scrupulous, self-effacing deference to his singers. (Noel Davies takes over from October 18.) Among the secondary roles we hava a decently haunted Angelotti – the fugitive who sparks the action – from Andrew Greenan, a conventionally twittery Sacristan solidly characterisad by Andrew Shore (as is his wont), a timeless but intriguing Spoletta from Edward Byles, and Richard Angas's crusty, humane Gaoler.

Does it work? I might guess better if I had any confident grasp of current audience-sensibilities. I think *Tosca* a nasty, cleverly calculated piece which offers melodious riches to good Italian singers; I do not know what to say about the general appeal of this version. Certainly the production is aimed to curdle any weepy indulgence – but may that not deprive Puccini of a central motive? Certainly too, it throws the time-honoured love-and-death motifs into historico-critical, self-conscious relief: excellent fodder for writing reviews like this one. If you want to see a self-reviewing opera production, this provides an excellent opportunity.

A co-production with Houston Grand Opera, supported by Friends of ENO; in repertory until October 27

Alastair Macaulay

Henk Smit and Rosalind Plowright as Scarpia and Tosca

Theatre/Alastair Macaulay

The Hostage

Just as we all were hoping that poor Ireland might find a way out of its troubles, along comes the Royal Shakespeare Company and disturbs the peace with Michael Bogdanov's maladroit new production of Brendan Behan's awkward farcico-serio-weirdo 1958 IRA play *The Hostage*. Bogdanov and Behan is a marriage made in Hell anyway; for heaven's sake everyone make sure Ian Paisley goes nowhere near the Barbican for the next few months.

And, by the way, don't you loathe the notion of "topical" revivals? You can just see how some grim spark around the RSC at the time of the Downing Street Declaration must have thought "Oh goody! – now we can revive Behan's flawed old *Hostage* – OK, it's flawed, but it'll be *relevant*."

We sit for the worse part of three hours in the Barbican, looking at a Dublin brothel that IRA activists take over with their 18-year-old British soldier hostage. The non-IRA characters sit around, they entertain a motley crew of customers, they drink, they sing songs, they waffle on about religion and the British and the troubles, they even dance. The IRA guys are as feckless as everyone else, and they leave their hostage alive just long enough for him to form an attachment to an 18-year-old girl called Teresa. All of which is meant to set us reflecting about the terrible futility of the troubles, and the topicality of a 1958 play.

Not, however, in my case; I just sit and fume about the guys who waste my time with a clumsy revival of a clumsy text of a minor and imperfect play. Behan wrote more than one version of *The Hostage*; it looks as if Bogdanov and the RSC chose the least pithy. Bogdanov has made the Dublin boarding-house-cum-brothel as deranged a place as he can, and has encouraged some (but not all) the cast to perform it all as if urging us not to believe that this house might be real or that these Irish characters are worthy of being taken seriously for a moment.

Some of this farce potential is there in Behan's play, to be sure. But Behan did not imagine that his Dublin tenement might be tipped forwards and sideways by 30 degrees, as by Kendra Ullyart's decor here. You take one look as this skew-whiff set and you feel seasick before the action starts.

You feel a whole lot more seasick as you try to piece together the life of this boarding-house, in which characters keep popping in and out of nine different doorways like rabbits. There is the transvestite navvy Rio Rita and his black boxer boyfriend Princess Grace, the whore Colette and her drunken client (a Russian sailor who travels bisexually round half the cast, seldom exiting with the same person twice, and who *then* turns out to be an undercover agent . . .). Not to mention the musicians who appear sporadically.

Slightly more important are the kilted old Anglo-Irish (but anti-British) Monsewer, with his Gaelic (terrible) and his bagpipes (worse); and the crazy religious spinster Miss Gilchrist. Central are Pat, the caretaker and an ageing IRA fighter, and his consort Meg; and the skivvy Teresa.

There are some excellent performances: notably from Dermot Crowley and Dearbhla Molloy as weary Pat and brassy Meg. "Go on, abuse me," he tells her, "your own husband, that took you off the streets on a Sunday morning when there wasn't a pub open in the city." You want to see actors like this in a production that makes a stage world real; it is too bad of Bogdanov to waste their time as well as ours. Alison McKenna is touching as Teresa, and John Woodvine makes the eccentric Monsewer amusing if not convincing.

Of the actors who encourage one not to trust the play, the worst is Jenny Quayle as Miss Gilchrist. As in Bogdanov's (generally otherwise hilarious) RSC version of Goldoni's *The Venetian Twins*, she overdoes every actorly touch, with special vocal effects in mid-sentence. (The way her voice dips to add a louche connotation to "so much more satisfactory than medical students" is en object lesson in bad theatrical camp.) But she is the actress most perfectly in tune with Bogdanov's messy and half-surreal account of this sprawling version of a nutty play.

In my review of the Birmingham Rep *Tempest*, I inadvertently cited Andy Hockley as playing both Stephano and Caliban. The latter role was in fact played by Richard McCabe. My apologies to both.

In RSC repertory at the Barbican

Concert/Richard Fairman

The RPO plays a different tune

When Charles Mackerras is conducting it is advisable to expect the unexpected. To open the Royal Philharmonic Orchestra's London season he paired two choral masterpieces, Mozart's Requiem and Janáček's *Glagolitic Mass*, but typically neither was performed in the version we usually hear. Even the National Anthem came in an arrangement by Mackerras himself.

It says a lot about bow things have changed at the RPO that Mackerras's brand of adventurousness has found favour there. Not so long ago years would pass by without it seeming necessary to visit a single concert for anybody interested in what was musically important in London. But now there is a new vital spark: Mackerras as principal guest conductor, the Maryinsky-Kirov link with Valery Gergiev, a dash of new music, and more than a dash of imagination in the programming.

The RPO has traditionally been the most popular-minded of the capital's four commercial orchestras and there is every sign that it is keen to widen its appeal further through its involvement with Classic FM radio and a big, mass-market recording project. The question is whether the orchestra can raise its game in the programming of its own concerts and still hold on to this popular audience.

For its opening concert of the season on Wednesday it had a well-filled Royal Festival Hall, which was a promising start. How many in the audience noticed that they were hearing a different version of Mozart's Requiem from usual? Probably not many: the Beyer edition makes few major changes from the score as finished by Süssmayr after Mozart's death and this was in any case a lacklustre performance of it – difficult to believe that Mackerras was in charge.

The Janáček, however, was another matter. With apparent precision the programme described what was to be performed as "a reconstruction of the original version", though that begs a few questions when applied to a work put together in various stages. Suffice to say that the reconstruction is even more wildly original than what we usually hear. At the Crucifixion climax of the "Věruju", where the solo organ bursts out, there was now also extra music for three thunderous timpani, as though the heavens were raining down in fury.

All the performers, so somnolent in the Mozart, came urgently to life. This performance did not quite equal the electrifying account of the Mass that Mackerras gave a couple of years ago at the Edinburgh Festival, but the RPO played well for him and the Brighton Festival Chorus has never sounded more decisive. The four soloists were Helen Field, Jean Rigby, Philip Langridge and David Thomas, who almost sounded relieved to be freed from their constraints as a Mozartian quartet.

The RPO claims this performance to have been a UK professional premiere, which is a small feather in its cap. Nor will it be the last in the orchestra's "Choral classics" series: anybody who thinks he knows Verdi's Requiem is in for a big surprise when the RPO plays that next spring.

INTERNATIONAL ARTS GUIDE

Munch and Germany

The Kunsthalle der Hypo-Kulturstiftung, a privately-financed gallery in the centre of Munich, has organised an exhibition around the Norwegian painter Edvard Munch (1863-1944). Opening next week, it aims to trace the formative influence which Germany had on Munch, and to show how he in turn influenced German art in the early 20th century.

In the 1890s Munch was a member of the avant-garde circle associated with August Strindberg in Berlin. An exhibition of Munch's work was held in Berlin as early as 1892, and he painted his powerful Frieze of Life series there. These works, including The Scream, form the centrepiece of the Kunsthalle exhibition. Numerous other works dating from his stay in Germany will be on show, including landscapes, portraits and self-portraits.

Next to the 100 works by Munch (most of them on loan from Norwegian museums), the Kunsthalle has placed paintings by late 19th-century German artists admired by Munch, such as Böcklin and Klinger, to illustrate the aesthetic climate at the time of his arrival in Germany. Representatives of the Berlin Sezession, founded in 1899 under Munch's influence, are also included. Munch's role as father of modern German art is illustrated by a selection of early Expressionists, such as Kirchner, Heckel and Schmidt-Rottluff. The exhibition can be seen in Munich daily from September 23 to November 27. It will then move to the Hamburg Kunsthalle (Dec 9-Feb 12) and the Nationalgalerie in Berlin (Feb 24-April 23, 1995).

■ EXHIBITIONS

AMSTERDAM

Rijksmuseum The Renaissance Print 1470-1500. Ends Oct 30. Closed Mon

Van Gogh Museum Van Gogh's Self-Portraits. Ends Oct 9. Daily

BASLE

Kunstmuseum Fernand Léger (1881-1955): an exhibition devoted to one of the key painters of the modern world. It focuses on the principal creative period from 1911 to 1924, with more than 100 exhibits from international museums and private collections, as well as from Basle's own rich collection. Ends Nov 27. Closed Mon

BERLIN

Brücke Museum *Early Kandinsky*: a survey of a little-known period in the German Expressionist's development, before he made his first abstract painting in 1910 at the age of 44. Kandinsky's early work is revealed as full of diverse influences, from Biedermeyer to the Fauves. Ends Nov 27. Closed Tues

Kunstgewerbemuseum Gianni Versace: retrospective of the Italian fashion designer, including sketches and theatre costumes. Ends Nov 25. Closed Mon

BRUGES

Groeningemuseum Hans Memling: a 500th anniversary show grouping some 40 works by the 15th-century Flemish master, including a number of fragila loans from as far afield as *Pasadena and Gdansk. Ends Nov* 15

St John's Hospital Modigliani Drawings 1906-1914: this is the touring exhibition of early drawings given or sold by the artist to his friend Paul Alexandre when living in *Paris. Ends Oct 2*

CHICAGO

Art Institute Odilon Redon: 180 works by the late 19th-century French painter-poet. Ends Sep 18. Goya: 100 small-scale paintings. Ends Oct 16. Daily

DRESDEN

Kupferstich Kabinett James McNeill Whistler: a rare German showing of etchings and lithographs. All 62 exhibits were collected in Dresden between 1892 and 1919, and are being exhibited for the first time. Ends Nov 25. Closed Sat and Sun

ESSEN

Villa Hügel Paris – Belle Epoque: an evocation of the period from 1880 to 1910 with paintings, drawings, posters, photographs, glass and furniture. Ends Nov 13. Daily

FLORENCE

Museo Pecci The Last Dreams of Joan Miró: some lesser-known late works lent by the Pilar Foundation, which was set up by Miró in 1981, two years before his death. Ends Oct 30. Daily

HAMBURG

Deichtorhallen The Century of the Multiple: the history of multiple art *editions in three-dimensional form*, ranging from early replicas of objects by Duchamp and Man Ray, to today's mass reproductions. Ends Oct 30. Keith Haring (1958-90): 100 large-scale paintings and ceramics by the *politically-motivated American artist*. Ends Nov 13. Closed Mon

Kunsthalle Masterworks from the Guggenheim Collection: 60 paintings by Picasso, Braque, Dubuffet, Bacon, Chagall, Kandinsky and Miró. Ends Sep 25. *David Hockney: drawings from* 1954 till the present. Ends Oct 10. Closed Mon

LONDON

Royal Academy of Arts The Glory of Venice: an exhibition encompassing the whole ranga of artistic production in the 18th century, with work by Tiepolo, Piazzetta, Canaletto, Bellotto, Guardi, Canova and Piranesi. Ends Dec 14. The Belgian Avant-Garde 1880-1900. Ends Oct 2. Daily (advance booking 071-240 7200)

British Museum Greek Gold – Jewellery of the Classical World. Ends Oct 23. Daily

Courtauld Institute The Samuel Courtauld Collection of Impressionist Paintings. Ends Sep 25. Conrad Felixmüller (1897-1977): the first exhibition in the UK to explore the graphic work of the leading second-generation German Expressionist, tracing his engagement with political and domestic themes during the Weimar Republic. Ends Oct 30. Daily

Tate Gallery Turner's Holland. Ends Oct 9. William Blake – Art and Revolution: an exhibition focusing on the English artist's output in the 1790s. Ends Oct 16. Daily

Heinz Gallery *Charles Rennie* Mackintosh – The Chelsea Years 1915-23. Ends Oct 29 (Royal Institute of British Architects)

Saatchi Gallery A Positive View: an exhibition of international creative photography, including a selection of 20th-century masters from the Vogue archive. Ends Sep 30. Closed Mon

MADRID

Fundació la Caixa Kandinsky and Mondrian – Two Roads Toward Abstraction: this exhibition marks the 50th anniversary of the deaths of two great pioneers of modern art. It covers the years 1911-20 and aims to illustrate the parallels and differences in their stylistic evolution. Both began as figurative painters and ended up with very different *abstract styles. There are* 35 canvases by Kandinsky and 56 oils, drawings, watercolours and gouaches by Mondrian. Ends Nov 13 (after which it will transfer to Barcelona). Closed Mon

MARTIGNY

Fondation Pierre Gianadda From Matisse to Picasso, Masterworks from the Gelman Collection. Ends Nov 1. Daily

METZ

Arsenal Gold of the Gods: more than 600 exhibits, comprising pre-Colombian jewels, ritual knives and masques. Ends Oct 2 (tel 4410 7303)

NEW YORK

Metropolitan Museum of Art The Annenberg Collection of Impressionist and Post-Impressionist Masterpieces. Ends Nov 27. Pharaoh's Gifts – Stone Vessels from Ancient Egypt: 140 highly artistic stone vessels, including cosmetic containers, *figure* vases and *ritual* vessels, dating from about 3200 to 465BC. Ends Jan 29. Closed Mon

Guggenheim Museum Japanese Art After 1945: a comprehensive history of Japanese avant-garde art during the past 50 years. It features more than 200 objects by 70 artists working in painting, sculpture, photography, video, performance and installation art. This show is at the Guggenheim'e SoHo site, which was designed by Japanese architect Arata Isozaki and opened in 1992. Ends Jan 8. The main museum is closed on Thurs, the SoHo site on Tues

Museum of Modern Art The Prints of Louise Bourgeois: 140 works by one of the most distinguished American contemporary artists, who *has donated her entire printed* oeuvre to this museum. Ends Jan 3. Closed Wed

Whitney Museum of American Art Joseph Stella (1877-1946): more than 200 works by the American modernist. Ends Oct 9. Closed Mon

PARIS

Grand Palais Gustave Caillebotte (1848-1894): a centenary tribute to the only member of the Impressionists who has not had a proper retrospective in France. The 89 paintings and 28 drawings on view include his masterpiece, Paris Street (1877), on loan from Chicago. Ends Jan 9. Closed Tues

Centre Georges Pompidou Joseph Beuys: retrospective of one of *Germany's leading avant-garde* artists of the postwar period. Ends Oct 3. Closed Tues

STUTTGART

Staatsgalerie Max Beckmann (1884-1950): 70 paintings covering the career of one of the leading German Expressionists, with loans from public and private collections on both sides of the Atlantic. Ends Jan 8. Closed Mon

TORONTO

Art Gallery of Ontario French Masterpieces from the Barnes Collection: another stop in the crowd-pulling tour of Post-Impressionist paintings. Ends Dec 31

VIENNA

Kunsthistorisches Museum Tintoretto portraits. Ends Oct 30. Albrecht Dürer: a selection from tha museum's collection of work by the early 16th-century German master. Ends Oct 30. Closed Mon

WASHINGTON

National Gallery of Art Milton Avery (1893-1965): 67 works on *paper portraying the American* artist's favourite subjects – family and friends, landscapes, relaxed nudes and delightful animals. Ends Jan 22. From Minimal to Conceptual Art – Works from the Vogel Collection: 90 drawings, *photographs, paintings and* sculpture by contemporary artists, including LeWitt, Christo, Ryman, Beuys and Flavin. Ends Nov 27. Daily

National Museum of American Art Luis Jimenez (b1940): 41 dramatic fibreglass sculptures by the Mexican-American artist, together with the drawings which prefigured them. Ends Jan 2. Daily

It can only get better

Change in Cuba is irreversible, reports **Pascal Fletcher** in Havana

Three hundred pesos, or three dollars, will buy a cooking stove made from a vegetable oil can, once donated as aid, in Havana's Parque El Curita street market. With a week's guarantee included, they are selling fast.

Piped cooking gas has been in short supply in the Cuban capital for weeks, thanks to breakdowns at the gas factory.

This additional misery for Cubans, already coping with shortages of everything from washing powder to meat, is encouraging a return to Cuba's streets of the vendors who were cleared away in a "revolutionary offensive" in the late 1960s.

Most operate legally – licensed under economic reforms designed to loosen the state's grip on Cuba's recession-hit economy, which has shrunk by half in five years.

The economy was devastated by the collapse of the Soviet Union and the loss of the communist bloc countries with which it carried on 85 per cent of its trade, on highly favourable terms. It is being further squeezed by a recent tightening of the US economic embargo.

In talks with the Clinton administration last week about stemming the flow of illegal immigrants to the US from Cuba's shores, the Cubans sought a commitment from Washington to discuss the 32-year-old embargo.

But most independent observers believe that domestic economic reform is what is needed to solve Cuba's economic problems.

The Cuban government has moved slowly on reform, despite calls for more haste from outsiders such as Mr Carlos Solchaga, the former Spanish finance minister. Cuba has begun to welcome foreign investors in some sectors, and last year it made the US dollar legal tender. But there have been few indications of what the next step might be.

Some are satisfied with the modest changes made so far. "The good thing is that you can use your imagination to make things," says 30-year-old Pedro Raurell, who sells mugs, pots, ladles and plates made from old softdrink cans and aluminium sheeting.

On a good day, Mr Raurell says, he can make 300 pesos. Not bad for a country where the average wage for a state worker is between 100 and 200 pesos a month.

Outward bound: A Cuban family heading for a new life in the US

But, while legalising some self-employment has helped a number of Cubans, it has by no means solved the severe economic squeeze faced by the majority. *Resolver* – a popular word in the Cuban vocabulary, which means obtaining things or just "getting by" in general – remains the order of the day.

Most Cubans say the subsidised food and consumer goods provided by the state rationing system each month do not even come close to feeding an average family. The black market, a mainstay of daily existence since Soviet trade and aid dried up, is booming despite a recent government crackdown, while the lifting of the ban on dollars seems to have encouraged it.

Only the dollar has real buying power. The black market rate for the dollar hovers between 80 and 100 pesos. Holders of dollars, obtained legally or illegally, can buy almost anything – either on the black market or in the dozens of new dollar stores for Cubans opened by the government over the past year. These sell food, clothes and prized consumer items, such as televisions and domestic appliances.

Those with dollars can also eat and drink at state-owned restaurants and snack-bars, now open to Cubans as well as foreigners – and at illegal eating houses that have sprung up all over Havana.

Getting by without dollars and on a small monthly salary of Cuban pesos is much harder, and for some impossible.

And a striking novelty in today's Cuba is that people are no longer afraid – as they were even a few months ago – to speak their minds about the country's state of decay.

After a restless, sweltering August which saw serious street disturbances in Havana and an exodus by sea of several thousand refugees, public discontent has become a tangible force in homes and on the streets.

Old-style revolutionary fervour, still trumpeted by bright propaganda billboards, has been eroded by the economic crisis, the influence of a tourist industry serving mostly western visitors and by the government's own signals that it is moving slowly towards a limited market economy.

Instead of extolling the virtues of the revolution and Cuba's one-party political system, Cubans are more likely to complain about food shortages, electricity blackouts, the collapse of public transport and other daily economic hardships. Behind the Cubans' natural cheerfulness and sardonic sense of humour, there is a sense of brooding frustration.

The more than 30,000 *balseros*, or rafters, who have left Cuba since early August in flimsy, home-made boats bound for the US symbolise this disenchantment. Until the Cuban authorities re-imposed a ban on illegal departures under a new immigration accord agreed with the US on September 9, the young, mostly male rafters were outspoken critics of Cuba's current plight.

In response to any inquiry, they directed a stream of rage and frustration against the economy, the political system and the figure of Cuba's 68-year-old president, Mr Fidel Castro. "People are leaving because of a lack of freedom. Lack of freedom to do things, grow things, create things, invent things," said 32-year-old Hector from the Havana suburb of San Miguel de Padron, as he helped friends prepare a raft at Brisas del Mar, some 18 miles east of Havana.

Mr Castro publicly admits a segment of the population is disenchanted with socialism, but insists the vast majority of Cubans still remain loyal.

It is even possible that he allowed the rafters to leave in an effort to defuse the discontent whose reality he acknowledges. It is also possible that the exodus was aimed at putting pressure on the US to lift its embargo, rather than at cooling domestic tensions.

Either way, things have quietened down following the departure of so many.

And for the more than 10m Cubans who did not leave after August 5, there is an air of expectancy: the future will somehow – must somehow – be better than the present. Even Cuba's tightly-controlled state media, whose output normally ranges from euphoric praise for the Revolution to staid ideological conformity, acknowledges the moment is one of change. "Things which didn't work in the past, even when we had resources, can't be expected to work now. The country is changing rapidly," the trade union weekly, Trabajadores, said this month.

The question for the Castro government is whether it will be able to influence this change, or merely be carried along – or perhaps swept away – by the tide of events.

Joe Rogaly

Choreography of peace

Dancing on eggs, the one to a quick-step the other to a slow, the prime ministers of Ireland and Britain may win an enduring peace to Ulster. Keep your fingers crossed. It is never prudent to assume that the murdering will end. Anything can happen between saying as much and the next day's news. Yet in the fortnight since the IRA announced a complete ceasefire some of the scepticism initially expressed to both London and unionist Belfast has begun to be replaced by hope that the 25 years of troubles really are ending.

This was doubtless intimated by Sir Patrick Mayhew when he reported to the British cabinet yesterday. The dossiers prepared by officials for the Northern Ireland secretary will have reinforced the quiet optimism that he has quietly expressed since last December. He has always believed that the joint declaration of principle issued before Christmas by the two heads of government would draw the IRA into normal politics, and away from the "armed struggle". Assessments by the security service supported his view. The spooks have been vindicated by events, so far. Yet in the private political discussions that followed yesterday's formal meeting of the cabinet the assembled ministers endorsed the government's cool response to the ceasefire.

They could do no less. Any echo of the embrace of Mr Gerry Adams by Irish and American politicians would be a disaster in London or parts of Ulster. The choreography that determines the movements of Mr Albert Reynolds could never be the same as that which directs Mr John Major. Both know this; each understands the other. It would not be surprising if the leader of Sinn Féin was aware of this complicated script. Perhaps he reads drafts on his visits to Dublin. It would be amazing if Mr James Molyneaux, leader of the Ulster Unionist party, was not in on the secret, briefed in Downing Street.

Yet the pressure from Irish nationalists, and US politicians who freeload upon their cause, has been all one way. Mr Major is urged to make a "gesture" towards Ulster's Republican community. Recognise that the ceasefire will endure, in spite of the IRA's refusal to call it permanent. Lift the prohibition on broadcasting the voices of members of Sinn Féin. Throw *that* card away at once. Confine the troops to barracks, as a prelude to bringing them home. Publish constitutional proposals that inject an Irish dimension into the affairs of the island's north-eastern provinces. Free the IRA prisoners...

> **To respond to any nationalist demand with more haste than mainstream unionist opinion could endure might blow the process apart**

Stop right there. Public opinion will need much preconditioning for all of this, but most particularly if the government is to release some of the men responsible for IRA terrorist outrages. The government view is that these are not political prisoners, but criminals. Merely moving a few of them from mainland prisons back to Northern Ireland has already caused a political furore. It is true that comparable releases of ANC and PLO cadres were eventually agreed, but the IRA is not equivalent to those organisations, neither of which had open recourse to the ballot box. Anyhow, the British electorate is as yet unprepared.

Most of the items on the above list of nationalist demands will, however, eventually be met – even prisoner paroles. Yet as Mr Reynolds clearly appreciates, to respond to any one of them with greater haste than mainstream unionist opinion could endure might blow the entire process apart. Even the broadcasting ban, which Sir Patrick knows is a nonsense, should be removed only when it is expedient to do so. This does not mean appeasing all unionists all the time. Mr Major's curt dismissal of Mr Ian Paisley last week was delightful to behold. The leader of the Democratic Unionists may be a hero to his electorate, but he is part of the problem.

If there is a solution, it will be dictated by political tactics, some of them grubby. The Conservatives who attend next month's party conference in Bournemouth are overwhelmingly sympathetic to the unionists. Many resolutions to that effect, some of them casting doubt on the government's integrity, have been sifted at Tory headquarters. Any democratic politician would be advised to hold out for a few weeks while the IRA is repeatedly asked to append the word "permanent" to its notification of an end to hostilities. Mr Major is not strongly placed to resist such a temptation. The argument about this troublesome word "permanent" might disappear in December. By then the IRA armistice, if it holds, will have done so for the full three months envisaged in last year's Irish-British declaration.

Before that, but perhaps after the Tory conference, it may pay to lift the broadcasting ban. Perhaps British army patrols in Catholic areas might be curtailed. The expressions of British anguish at the prospect of another US visa being granted to Mr Adams might be muted, at least if the president of Sinn Féin is not to meet President Bill Clinton. The latter piece of theatre might win a few Irish-American votes in the mid-term elections, but it would be the grubbiest political act of all. Mr Major is wise to dampen expectations of British government acquiescence in any such thing. Meanwhile a question pops up. Is there a trade-off between British support for Mr Clinton in Haiti and US agreement to go easy on rolling out the red carpet for Mr Adams?

Nothing can easily be done about "loyalist" terrorism, which still continues. This is the lethal work of several groups, none of them as disciplined as the IRA. The peace process depends on a cessation of activity by "loyalist" murderers, although that is easier said than brought about. The greater the level of suspicion in unionist areas, the wider the seas in which these gangs can swim. This is not an argument for pandering to the Ulster Volunteer Force and the Ulster Freedom Fighters, but it does add to the case for moving at a pace unionist democrats can accept.

Whatever his shortcomings in other areas, Mr Major has shown since he signed the joint declaration with Mr Reynolds that he understands the unionists, at least as much as Mr John Hume, who signed a preparatory article of faith with Mr Adams, understands the nationalists. The ungenerous will say that Mr Major is displaying cool leadership in Ulster because he has no choice. If he and Mr Reynolds achieve peace, history will be kinder than that.

LETTERS TO THE EDITOR

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Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Sectors need regulation – not industries

From Mr David Souter.

Sir, Your editorial, "Who regulates?" (September 14), substantially misrepresents the proposals in the Institute for Public Policy Research's new report, "Regulating Our Utilities", of which I am one of the authors. You say that we want to replace individual regulators with "regulatory commissions representing 'stakeholders' such as suppliers and employees", and that this would weaken regulation by opening it up to lobbying by special interest groups.

If we were proposing that, no doubt it would; but we are not. We argue for regulatory bodies for sectors such as energy and and communications rather than industries such as gas and electricity, or telecoms and posts – because of the need for a coherent approach to these areas. The role which separate regulation played in last year's coal crisis illustrates this need.

We argue for regulatory commissions rather than individuals because sectoral regulation demands a range of expertise and because the personalisation of regulation has undermined the quality of decision-making.

Nowhere do we suggest that such commissions should include representatives of vested interests. On the contrary, we think that would be wrong. We suggest it "might be possible to include individuals with other relevant public policy expertise, for example of having represented consumers in the industries concerned, though they should not be currently involved in doing so". We want expertise added to the process, not lobbyists.

Utility regulation is vitally important to the UK's infrastructure and to citizens' lives. Our proposals aim to improve the quality of regulation – distinguishing ministers' responsibility for medium-term policy in sectors such as energy, communications and transport, while strengthening regulators' executive independence in achieving these democratically determined objectives.

David Souter,
34 Arran Road,
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Transparent standards

From Sir Neville Purvis.

Sir, Contrary to the claims made by Nigel Griffiths, the Labour spokesman on consumer affairs ("Wrong number...", September 7), no changes have been agreed between the Department of Trade and Industry and the British Standards Institution to reduce the volume level of telephones.

BSI was asked by the DTI to look at ways of utilising, to the benefit of users, the improvements in the transmission efficiency of the public network due to digitalisation.

This investigation was carried out by a BSI technical committee on which 20 UK trade, regulatory, network provider and consumer protection bodies are represented and which had knowledge of the work and sight of all papers throughout the investigation.

A range of options has now been forwarded to the DTI. These do not include reducing the volume level by 25 per cent, as Mr Griffiths claims. These suggestions have not been incorporated into any British Standard or any amendment to a British Standard.

Any proposals to so would be subjected to scrutiny by the relevant BSI committee and published as draft for public comment, as is the case with all British Standards.

BSI does not produce or amend British Standards in secret but facilitates the creation of standards in a process that is transparent and dependent on consensus.

Neville Purvis,
chief executive,
British Standards Institution,
2 Park Street,
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Stereotyping Arab women

From Ms Nadia Hijab.

Sir, I was taken aback by Bronwen Maddox's piece, "Cairo women worlds apart from UN ideologues" (September 10). Her decision to visit two Cairo hair salons to cull opinion about women's reactions to the population conference gave her the same narrow view that she would have had in London or New York had she sought out women with "coral-coloured nails" to match their coral dresses. This is not to say that personal appearance is unimportant, but surely we have moved beyond this stereotype by now?

Egyptian women's participation in public life since the turn of the century and in the modern workforce for some 150 years is well-documented. Had she wished, she could have, as I have on my visits to Egypt, visited a university to meet women professors and department heads, a newspaper office to meet women journalists and editors, a farm to meet women agricultural labourers and owners, a factory to meet women workers, many companies to meet businesswomen and chief executives, and any government or UN office to meet national and international civil servants.

Bronwen Maddox would not necessarily have found consensus about the population conference. But with all of these women she could have engaged in intelligent debate on the issues facing men and women in Egypt today, rather than imposing a one-dimensional view of women on herself and her readers.

Nadia Hijab,
40 River Road #14C,
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US

Poland's privatisation plans are feasible

From Mr Jerzy Thieme.

Sir, Ms Swiatkowski Cannon's Personal View (September 9), contained many misunderstandings and misrepresentations about Poland's mass privatisation programme (MPP).

As an adviser to successive Polish governments in helping to establish and implement the programme, I would like to put the record straight. The author argues that the programme is centralised and bureaucratic. Inevitably, governments are always involved in the early stages of privatisation as it is state assets which are being disposed. The approach we have evolved is to give substantial responsibility for the actual restructuring of companies in the programme to national investment funds (NIFs). They will have substantial autonomy, operating at arm's length from the government, deciding how best to restructure the companies under their managements prior to public flotation. These funds will be managed by qualified professional firms, selected after competitive tender. A string of quality investment banks, fund managers and consulting firms have already been shortlisted for this purpose.

Several international institutions – European Bank for Reconstruction and Development, World Bank, British Know-How Fund and the European Union – support the programme through the provision of funding and technical assistance. Maybe this is a minor point but it shows the confidence which the international community has in the privatisation programme.

The author says that the programme is too limited in that only some 400 companies are intended to be covered by the programme. Again this misunderstands the position. The MPP is only one element of a multi-track approach to Polish privatisation. The principal objective within the MPP is that the companies included should have the potential after restructuring to be strong and viable, with good growth prospects. We have to date identified about 400 such companies.

The suggestion that the programme cannot satisfy popular demand for equity and participation in reforms is also not true. Potentially, all 27m adult Polish citizens will be able to participate to the programme, acquiring, for a small registration fee, a security which is likely to have a substantial market value, and will be traded on the Warsaw Stock Exchange – one of the best regulated stock exchanges in Europe.

We are sure that the MPP specifically meets the need for mass participation in the restructuring of Polish enterprises and, regardless of the political environment, is feasible.

Jerzy Thieme,
chief adviser MPP,
Ministry of Privatisation,
Warsaw, Poland

RTZ support in Rio Algom deal

From Mr C A Macaulay.

Sir, I refer to your report, "Rio Algom to boost copper at Cerro Colorado by 50 per cent" (September 7). Part of that report might be seen as implying that RTZ had attempted to take over Rio Algom's Cerro Colorado mine in Chile at the time of the RTZ sale of its 41 per cent interest in Rio Algom.

In fact, RTZ made no such attempt. Rather it provided valuable assistance to Rio Algom in the development of the Chilean project, both before and after the sale of its interest in the Canadian company. The successful commissioning of Cerro Colorado, a year and a half after the sale of that interest, was due in no small part to RTZ's continued support of the project.

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Pitching for the market

It is an odd kind of labour dispute. On one side is a strong union, insisting that its members' salaries be set by market forces. Their bosses say wages must be capped, so that profitable employers can subsidise loss-making ones. Meanwhile, pundits muse that resolving the strike would save the presidency.

For millions of US baseball fans, the six-week-old major league baseball strike is certainly different. It ruined this year's regular playing season. Now it has put paid to one of the high points of the American sporting year, the World Series, cancelled on Wednesday for the first time since 1904. But non-enthusiasts should also take note. The wrangle over top players' pay is a good example of how market forces work in the modern labour market. The team owners are essentially an old-fashioned cartel trying to tilt the system back in their favour.

At first glance, it is the players' side that looks out-dated. In a country in which only around 12 per cent of private sector workers are unionised, the Major League Baseball Players Association's ability to bring the industry to its knees sounds more like the "big labor" of the 1950s and 1960s than the "flexible" US labour market of the 1990s.

But the players' strong bargaining position does not come from membership of the union. In the US, unlike many other countries, employers may hire permanent replacements for striking employees. A bill which would have banned this failed to pass Congress earlier this year. Quite apart from the probable public reaction, however, the owners cannot do this because many of the players are all but irreplaceable.

In effect, the team owners are facing a dilemma common to many US and UK shareholders. Greater labour market deregulation helps to push down the cost of unskilled workers. At the same time, however, a core group of highly-skilled employees in each firm is able to demand a lot more.

Baseball players, once little more than a team's indentured servants after signing their first contract, won more individual rights in the courts in the 1970s. Salaries have risen ever since: from an average of $400,000 to over $1.2m in the past five years. Wages now account for 58 per cent of total industry revenues.

The teams argue that the cost of bidding for the best players is driving the smaller, less popular, teams in the league out of business. They would like to see the overall wage bill capped at only 50 per cent of revenues. They say that the resulting extra profits would be used to bail out the teams that are in trouble.

It is not up to the players to allow the companies to be so collectively minded. Even if it were, one cannot judge whether such cross-subsidisation is even necessary, since all of the teams' finances are shrouded in secrecy.

In fact, since the owners are possibly the only US businessmen to be entirely exempt from anti-trust provisions, they may make any agreement they like, without outside interference. On Wednesday evening, President Clinton rightly suggested that this cosy cartel should be reconsidered. The baseball strike is a market failure, which stems from the cartel and not from the players.

Born again

A licence to exist, if not to print money. Yesterday the Independent Television Commission announced that it would readvertise the frequency allotted to Britain's fifth terrestrial television channel. The long-awaited statement gives investors a second chance to bid for the licence, although it makes it no easier to judge its value.

The ITC's statement follows the disarray of its last auction for Channel 5 two years ago. Then, it turned down the only bidder on doubts about shareholders' financial commitment to the consortium. Nonetheless, several groups still express interest; Pearson, the international media group which owns the Financial Times, has indicated it may join one.

The government is right to give investors – and viewers – the opportunity. The form of the channel's programming is left open, but judging by the plans of potential bidders, Channel 5 could provide city-based television, in addition to the regional services of ITV and the British Broadcasting Corporation. Regional stations are a powerful flavour in the US programming mix, and one that would enrich British television.

The channel will also give regional and national advertisers another route besides ITV to reach audiences, helping curb inflation in the cost of airtime.

Ministers have rightly not succumbed to fears that, if Channel 5 were successful, it could jeopardise ITV franchises, some of which remain financially stretched. ITV companies were directed, in bidding for their own licences, to assume that a new fifth channel would bite into their advertising and audiences. So far, they have been spared this competition, although recession bit more deeply into revenues than they predicted. But unexpected consequences of the ITV auction should not block the birth of a rival channel.

However, the government is misguided in withholding from Channel 5 one of the two frequencies advertised last time. In deciding to reserve one frequency for digital television, it risks adding to its long record of promoting high-technology projects of questionable commercial potential.

The consequence is to handicap Channel 5, which may now reach as little as 52 per cent of the country, compared to the 74 per cent achievable with both frequencies. Uncertainty about its coverage is one reason why its viability is currently hard to assess. The potential liability for retuning video recorders, which share the same frequency, is also unknown.

Even when these points are clarified, bidders will have a tough job deciding if Channel 5 is a prize worth having, and the price worth paying to secure it. But at least they now have another chance.

Our man in . . .

What do the following have in common: North Atlantic Treaty Organisation, Organisation for Economic Co-operation and Development, World Trade Organisation? Answer: all three are intergovernmental bodies (though the third technically does not exist yet) currently in search of a chief executive. In all three cases the choice will be made by the governments of the member states. That in turn means it will be decided through political negotiation, as opposed to the kind of selection procedures whereby senior posts in other organisations are normally filled.

Purists deplore this, but it could not really be otherwise. Such jobs are not purely managerial or technical. They have a political content, greater in some cases than others, and governments must be expected to have an eye to their national interests in arguing for one sort of candidate rather than another.

But where many governments go wrong is in assuming that national interest is best served by securing such posts for their own nationals. This is insulting to the candidates in question, since the terms of reference invariably require the holder of the post to act as the servant of the organisation as a whole, and to forswear partiality towards their own country. On the whole this requirement is taken seriously, and it is not unknown for such people, once in office, to cause their own governments considerable irritation.

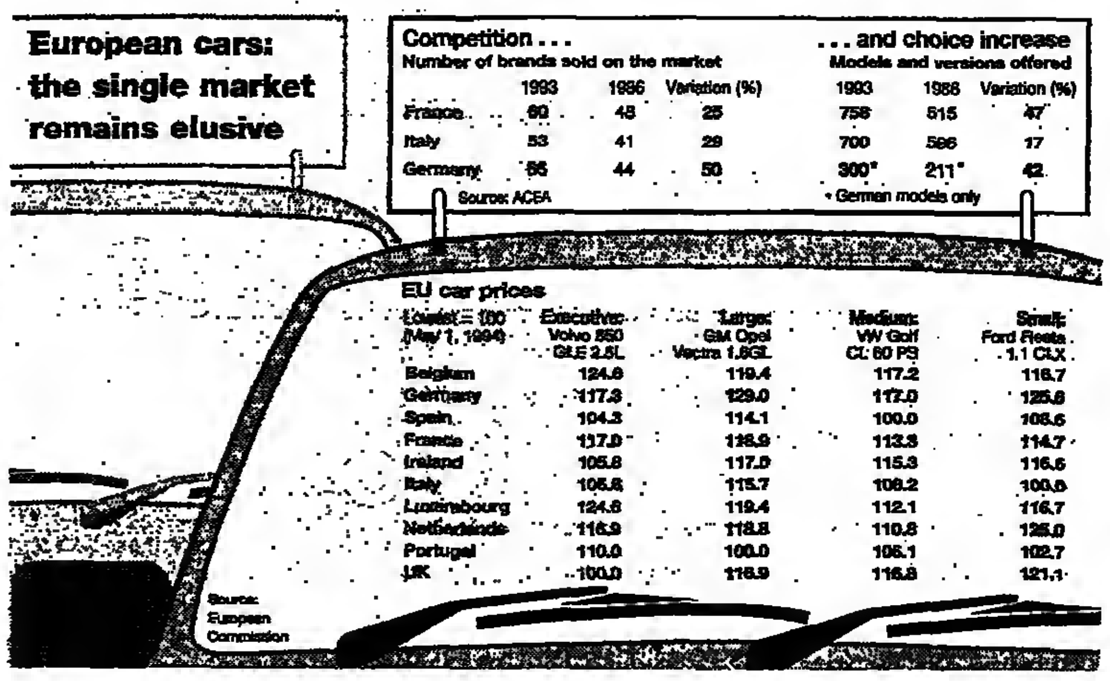
It would not matter if governments simply vied with each other to put up the best candidate. But in many cases they seem determined to get the job for "their" man (or woman) irrespective of merit. That leads to unseemly horse-trading, and to the notion that countries disappointed in one race are entitled to "compensation" in another – a pretension which becomes offensive and ridiculous when the bodies in question have quite different memberships and purposes. Thus Canada, Iceland, Norway, Turkey and the US, none of them members of the EU, are expected to accept a Belgian secretary-general of Nato, with little or no experience of defence policy, because the Belgian prime minister was denied the presidency of the European Commission.

At least in Nato's case there is some sense in the tradition of having a European as secretary-general, since the supreme allied commander in Europe is always an American. It is far less obvious why the tradition of having a European secretary-general of Gatt should be carried forward into the WTO; let alone why non-Europeans should be expected to accept whatever candidate the EU chooses, especially when that choice itself is dictated by a trade-off in the contest for a quite different post.

In each case the effectiveness of the organisation is being sacrificed, and the internationalist spirit it is supposed to embody is being ignored.

The battle for the forecourt

European carmakers fear the consequences if their exclusive dealer networks are reformed, writes **Kevin Done**



European cars: the single market remains elusive

Competition . . . Number of brands sold on the market

	1993	1986	Variation (%)
France	60	48	25
Italy	53	41	29
Germany	66	44	50

Source: ACEA

. . . and choice increase Models and versions offered

	1993	1986	Variation (%)
France	758	515	47
Italy	700	596	17
Germany	300*	211*	42

* German models only

EU car prices

Lowest = 100 (May 1, 1994)	Executive: Volvo 850 GLE 2.5L	Large: GM Opel Vectra 1.6GL	Medium: VW Golf CL 60 PS	Small: Ford Fiesta 1.1 CLX
Belgium	124.6	119.4	117.2	116.7
Germany	117.3	129.0	117.0	125.6
Spain	104.3	114.1	100.0	108.6
France	117.0	126.9	113.3	114.7
Ireland	105.8	117.0	115.3	116.6
Italy	105.6	115.7	108.2	100.0
Luxembourg	124.6	119.4	112.1	116.7
Netherlands	116.9	118.8	110.8	125.0
Portugal	110.0	100.0	106.1	102.7
UK	100.0	116.9	116.8	121.1

Source: European Commission

European carmakers go to the barricades next week in a last-ditch effort to protect their privileged exclusive dealer networks across Europe.

For several months they have been locked in a lobbying battle in Brussels against the plans of the European Commission's competition directorate for liberalising the continental car market.

At stake is reform of the so-called block exemption, which was granted to the European motor industry for 10 years in 1985, and which allows carmakers to operate selective and exclusive distribution systems in contravention of European competition rules. The exemption expires at the end of June 1995, and next week the 17 European commissioners are due to decide how radical a dose of reform should be imposed on the carmakers.

Behind the issue are sharply contrasting visions of how cars should be sold and serviced in Europe. Is the consumer best served by the dedicated exclusive dealerships allowed under the present system? Or should the dealer networks be exposed to another order of competition, with multi-franchising – the sale of competing brands on the same site? This could offer customers a wider choice in one location, while independent service garages would gain access to the carmakers' closely guarded technical information and exclusive parts business.

A firm proposal for the new motor industry regime will be published shortly after next week's meeting of the Commission. Following consultation with governments and the opposing ranks of the car producers and European consumer organisations, the terms of a new block exemption should be set before the end of the year.

Battle has already raged on this issue in Brussels for several months: the competition directorate's first draft for a new block exemption was leaked to the motoring press in May.

The competition mandarins did not pull their punches. In an "explanatory note" they claimed that "the experience acquired over the last 10 years shows that this regulation has not contributed in any significant way to either the opening up of national markets or the development of flexible and efficient structures in the distribution of cars and spares". The block exemption had to be revised in order to "remedy these defects and stimulate competition".

The competition directorate led by Mr Karel van Miert suggested reforms to ensure that dealers – in the main small and medium-sized businesses – have greater commercial independence from the manufacturers. Big publicly quoted dealer groups such as those familiar in the UK are virtually unknown in continental Europe.

Access for independent producers and distributors of spare parts to the carmakers' dealer outlets should be facilitated, and the consumer's position improved, said the draft.

The carmakers were incensed by the proposed reforms. They argue that the present regulation, far from stifling competition, guarantees it; and that what the industry needs above all is stability as it fights to restructure and regain world competitiveness against Japanese and newly resurgent US rivals.

"There are those who wish, in particular within the Commission, to subject this industry to an unprecedented and arbitrary experiment . . . [and] undermine the whole foundation of automobile distribution in Europe," says Mr Giorgio Garuzzo, chief operating officer of the Fiat group and president of the European Automobile Manufacturers Association (Acea).

The campaign for reform has been led by consumer groups. Mr Jim Murray, director of the Bureau Européen des Unions de Consommateurs (Beuc), says the block exemption has been "an unmitigated disaster for consumers."

Beuc accepts the need for competent, trained personnel to carry out garage servicing – the notion of "selectivity" allowed in the current regulation. But it claims there is "no basis whatsoever" for allowing manufacturers to operate "exclusive" as well as selective distribution systems – that is, to limit the number of outlets on a geographic basis, and to restrict those outlets from stocking more than one brand.

"Why shouldn't new car buyers have the chance to compare different brands at a single outlet?" asks Mr Murray. "This is the sort of consumer-friendly distribution we would like to see in place after 1995." The consumer lobby argues that the exclusive system shields dealerships from competition and is not needed to maintain standards.

"We accept that standards should be set for safety, for technical expertise, training and solvency, but we don't need exclusivity to set these standards," says Mr Murray. "Standards should be set for all motor dealers and there should then be free competition between all dealers who meet these standards."

Beuc also complains that the block exemption as currently operated interferes with the single market. It points out that the original regulation of 1985 was granted on condition that new car prices across Europe should not diverge beyond a range of 12 per cent in the long term and 18 per cent for periods of less than one year, and that individual consumers in one member state should be free to buy cars from another. On both counts the block exemption has failed, it claims.

The most recent car price study by the Commission, published this summer, showed that 22.5 per cent of the models produced by European manufacturers had price differentials of more than 20 per cent. As far as cross-border car-buying is concerned, Beuc claims that consumers who try to buy cars abroad meet with enormous difficulties, both from dealers and carmakers and from institutional barriers.

It is a long catalogue of woes, but the carmakers have mounted a heavy lobbying effort to counter the consumers' arguments, with the industry directorate headed by Mr Martin Bangemann acting as a willing ally inside the Commission.

The defence offered by Acea centres on the theme that cars cannot be distributed like washing machines or food. The carmakers claim that the competition directorate has provided "no factual evidence whatsoever" to support the case for radical reforms.

Competition has increased greatly during the last 10 years, says Mr Rudolf Beger, Acea executive secretary. Between 1986 and 1993 the number of car brands sold on the German market jumped by 50 per cent from 44 to 66. The number of models and versions sold in France has risen by 47 per cent from 515 in 1986 to 758 in 1993.

In the after-sales and service market, competition has also grown significantly with independent chains for easy repairs such as Speedy, Midas and Kwik-Fit. According to BMW, the German executive and luxury carmaker, independent repairers already control 48 per cent of the BMW service market in Germany and 52 per cent in Italy.

Acea claims that its independent research shows that customer satisfaction in the automobile industry has reached a very high level. German car owners, for example, are said to be among the most satisfied consumers – well ahead of users of airlines, travel agents, hi-fi shops, hospitals or television stations. What is more, surveys in the US show that customer satisfaction with conventional one-make dealers is consistently higher than with dealerships selling various brands, says Mr Beger.

The carmakers argue that prices for consumer goods for which there is no selective distribution differ often by more than 100 per cent from one European country to another – much more than car prices. In any case, exchange rate fluctuations are the biggest cause of diverging car prices, not selective distribution, they say.

As for cross-border car-buying, Acea says that it is already happening. Following the devaluation of the Italian lira, Acea estimates that 150,000 to 200,000 cars were re-exported from Italy last year.

The argument over block exemption is strident, but there is much at stake. Over the next 10 years a typical volume carmaker will invest around Ecu6bn (£4.7bn) in its distribution system. With most new cars reaching the same high standards of quality and reliability, service at the dealership is increasingly being seen by carmakers as the new frontier for competition.

The question the Commission must answer in the coming weeks is what rules will apply on the forecourt for the next 10 years.

A German message Europe must heed

PERSONAL VIEW

Last week at Leyden university, Britain's prime minister, John Major, did Europe a service by rejecting the proposals for a two-tier European Union in the recent discussion paper from Germany's Christian Democrats. The idea of formalising a supposed "hard core" of EU member states, placing the UK and others in the second division of the European league, was ill-judged.

However, Mr Major should not lose sight of one essential fact. The CDU paper outlined the German need to build on and deepen 40 years of success at integrating Europe with Germany at its heart. In view of this, Mr Major was perhaps ill-advised in saying Europe is "outgrowing the concept of the original founders of the European Union".

Germany itself is stressing the necessity of reforming, and above all reinforcing, the institutional framework of European co-operation as a precondition for enlarging Europe to the east. As the CDU paper points out, tragic past experience has demonstrated the dangers that can ensue from Germany's position in the centre of Europe. The rest of the continent needs to respond positively to Germany's request to be bound irreversibly to a politically and economically integrated continent.

This was the main message in the CDU paper – even though the "two-tier" proposals gained the most publicity. Fortunately, an immediate rebuff came from the German foreign minister and his EU colleagues, as well as from French President François Mitterrand.

It was objectionable enough for a large number of member states to be relegated, albeit temporarily, to the status of second-class Europeans. But it was no less absurd for the Benelux countries, founder members of the European Community, to be told that "they must be more involved in Franco-German co-operation". Was this a bad joke – or just clumsiness?

As for the French, Le Monde published its commentary on the CDU paper under the heading "*Rudesse allemande*". Although the document upholds the theory of the privileged Franco-German partnership, it shows Germany's irritation with some French attitudes can match its well-known disappointment about Britain's European policies.

It is historically inaccurate to say that European integration depends on the success of the Franco-German axis. In fact, the European Community was formed in 1957 partly to stabilise the Franco-German relationship.

It is inaccurate to say that European integration depends on the success of the Franco-German axis

This is not to say that bilateral relationships do not have any importance for economic and monetary union. If Emu is to succeed, it will have to take place at different speeds, according to the Maastricht criteria. This is not, however, the same as postulating a "two-tier" approach for integration in general.

Another condition for Emu, as rightly stated in the CDU paper, is that it must be embedded in a political union. This requires not only joint policies in foreign affairs and defence, but also more democratic structures for European decision-making.

The CDU paper underlines the necessity of strengthening the EU's capacity to act. Among other things, it proposes an effective federal division of powers between different levels of decision-making. It also suggests defining the EU's fundamental values in a quasi-constitutional document. These ideas are hard to stomach for British Eurosceptics, or even for the average "Euro-convert". And yet the desire of the Germans and other Europeans to drive on with this agenda must not be underestimated.

When a year ago a "German National Foundation" was founded by eminent personalities such as President Richard von Weizsäcker and ex-Chancellor Helmut Schmidt, they stated that a new German identity had to be based on the will to advance European unification. Chancellor Helmut Kohl said exactly the same when unification took place in October 1990. Such remarks might seem odd for citizens of long-established nation states such as the UK and the Netherlands. However, Germany, as a "belated nation" in the middle of Europe, feels it has specific internal and external sources of vulnerability that need to be taken into account.

The week in which we commemorate the 50th anniversary of the Battle of Arnhem is a fitting time to remind ourselves not to repeat the mistakes Europe made in dealing with the German question earlier this century. Even if we are confident that the federal republic will never again follow a "special path" outside the European mainstream, we would ignore at our peril Germany's call for European solidarity and integration.

Jan G. van der Tas

The author was the Netherlands' ambassador to Bonn between 1986 and 1993

OBSERVER

Credit where it's due

■ Peter Wallenberg, overlord of the mighty Wallenberg industrial empire, is probably rueing his decision to abandon his family motto *Esse Non Vidare* – To be, not to be seen.

Wallenberg is worried at the rocky state of Sweden's economy. So he wrote a newspaper article and gave a highly unusual hour-long television interview, ahead of Sunday's general election.

Grasping the media tiger by the tail is a dangerous exercise. For Wallenberg's message – that the new government must slash the budget deficit – has been drowned in a welter of negative headlines, some perhaps justifiable, others obviously not.

The really hot water came via Wallenberg's reference to South Africa. He referred to *svartingar* – roughly translatable as "blackies" – as not being able to manage without the whites. Phew! This, within a country which was for years one of the leading backers of the African National Congress. "I expressed myself inconsiderately and wish to apologise," said the 68-year-old Wallenberg. But ill fortune hunts in packs. Yesterday, the tabloid newspaper Expressen carried an alarming headline – "Wallenberg threatens to leave Sweden if we vote the wrong way".

Sensational stuff, given that Wallenberg companies dominate Swedish industry and the family has always been intensely patriotic.

The Wallenberg camp has now hastily disclaimed any such notion; what he *really* said was that some companies would be under pressure to shift their HQ's overseas if Sweden's credit rating was lowered.

Lowered credit ratings all round, perhaps.

Write on

■ The revanchist Independent newspaper, now under the helm of the FT's former deputy editor, can anticipate some big UK political scoops, if its new deputy editor, Martin Jacques, can work on his tennis game with his regular partner – Labour's Tony Blair.

Jacques has never shied away from experimenting with his political game. Former editor of Marxism Today – RIP 1991 – he teamed up with Rupert Murdoch's Sunday Times because he liked the paper's anti-establishment attitude; the enemy of my enemy is my friend being a familiar motto to communists since Lenin onwards.

Aficionado of Formula One motor racing, Jacques left the British Communist party in 1991, when the party was anyway all but dead. These days, Jacques is chairman of his own seeker after the Holy Grail, a think-tank called Demos, launched in 1993. He says Demos is "neither left nor right in any traditional sense . . . radical, not centrist". Its forte is the generation of ideas obviously headed for the filing cabinet labelled "ignore", such as establishing "juries" of 20 randomly chosen people to debate national child-care provisions.

'I don't think of myself as being bribeable but I wish someone would try'

Stooping Lowe

■ Neil Kinnock, former UK Labour party leader, has lost little time in stamping something of his personality on to his new job of European Commissioner, which he takes up next January.

For starters, he's beguiled Philip Lowe into becoming his chief of staff. A 47-year-old Yorkshireman, Lowe combines a wicked sense of humour with more than 20 years' experience of the Brussels bureaucracy. Lowe's current job is director of the Merger Task Force, vetting Europe-wide mergers and takeovers on competition grounds. That might easily have led on to Lowe's becoming director general; clearly, Kinnock has lost none of his persuasive powers.

Moreover, Kinnock has also insisted on having his own press spokesman. Polite suggestions that the new, expanded 21-member Commission might have to restrict the number of *porte paroles* was met with a characteristically Welsh riposte: if Sir Leon Brittan, the senior UK commissioner, is going to have his own spokesman, then so too, dammit, is the Right Honourable Neil Gordon Kinnock.

Chairman talk

■ There seems to be a bit of a shortage of chairmen of Britain's pharmaceutical companies. SmithKline Beecham did not have too much trouble persuading Sir Peter Walters to take its chair in April, but Zeneca seems to have taken its time to find a replacement for Sir Denys Henderson, and Fisons and Glaxo are both looking for figureheads.

Fison's Patrick Egan wants to be gone within the year and Glaxo's Sir Paul Girolami quits in November. Of the two jobs, that at Glaxo is far and away the most appetising. So why the delay in filling the slot? Sir Sydney Lipworth, the former chairman of the Monopolies and Mergers Commission, has ruled himself out by taking Zeneca; Lord Kingsdown, the former governor of the Bank of England and Glaxo director, is a bit too old and Sir Peter Holmes, 61, the former boss of Shell, doesn't sound like he is interested.

Pity the general election is a good two years away, because there would be no shortage of ex-Tory politicians looking for a safe berth. Of course, there is always that hardy old perennial Sir John Cuckney, a vice chairman of Glaxo. But then he is even older than the outgoing Sir Paul.

Reassuring

■ So Lloyd's thinks that someone somewhere could come up with a better stamp for the reinsurance company which will ringfence Names' old year liabilities. So far provisionally known by the Orwellian title NewCo, the company will be one of the biggest reinsurers in the world, alongside Munich Re and Swiss Re. As part of its plan to have the operation ready for DTI authorisation next year, Lloyd's has held a competition among staff to come up with a more fitting moniker. One unkind suggestion doing the rounds at the reinsurers' Monte Carlo rendezvous last week was Pen-u-Re.

FINANCIAL TIMES
Friday September 16 1994

Russian bosses get rich as workers go unpaid

Multi-million rouble salaries in private and state enterprises

By John Lloyd in Moscow

Heads of Russian private and state enterprises are raking in huge salaries even where factories are technically bankrupt and workers are not being paid, government research shows.

A report by the country's labour ministry, the institute of labour research body and a department of the presidential staff, shows that directors in a range of corporations are receiving multi-million rouble monthly salaries while their workers take home much less than the average wage or are sent on involuntary "holidays" because of the enterprises' debts or lack of orders.

The factories cited include:

- The Izchesmash engineering plant in Ivanovo, north-east of Moscow, which paid its workers Rbs77,000 (£22) a month - but accorded its director Rbs881,000. In summer it sent the workers home without pay for two months, but the director was given Rbs4.7m to see him through the same period.
- The Novosibirskenergo enterprise in Novosibirsk, central Russia, has debts of Rbs5.3bn, and stopped paying "many" of its workers. Its director's monthly salary, however, remained at Rbs2.65m.
- A pipe factory in Volgograd in the south paid its workers Rbs200,000 a month but its director Rbs2.22m. Its debts stand at about Rbs4.5bn.

Separate findings show that the old *nomenklatura* – those appointed to top jobs in the communist period – have continued to occupy leading positions in society since the fall of communism, though their privileges are now measured in money rather than access to scarce goods.

The findings are certain to fuel tension caused by cuts in support to industry and fears of bankruptcies and unemployment.

Mr Victor Chernomyrdin, prime minister, and Mr Alexander Shokhin, economics minister, have both warned of growing problems as budget cuts and non-payment of wages increase while tax revenues and industrial output decline.

Mr Victor Gerashchenko, chairman of the central bank, said yesterday that industrial output would fall by 15 per cent next year and gross domestic product by nearly 5 per cent. He told bankers in St Petersburg that 1995 would see a "stabilisation, at a crisis level".

The labour report analysed pay in plants of different forms of ownership. "But, characteristically, in both state and non-state enterprises there were huge disproportions between the pay received by the directors, which was 10 or more times that of the average pay of the workers", it said.

ITT sale to raise $4bn

Continued from Page 1

casino and hotel complex called the Desert Kingdom in Las Vegas.

This is to be built on a 34-acre site next to the Sheraton Desert Inn casino that ITT bought last year.

ITT is one of a number of suitors reported to be interested in buying NBC following the recent disclosure that GE had had talks with Time Warner, the US information and entertainment group, about a possible sale of all or part of the television network.

Apart from Walt Disney, others include Turner Broadcasting, the US media group, and Harcourt General, the US publishing and cinema group.

Lufthansa

Continued from Page 1

spin-offs were intended to encourage entrepreneurial behaviour by keeping inter-company relations at arm's length and increasing awareness of customers' needs.

He expected group turnover to grow by up to 5 per cent a year until 1997, and had set his sights on taking Lufthansa's share of the European market from 16.7 per cent now to more than 20 per cent.

The workforce would continue to be reduced and the management was working on building up its network of alliances.

He claimed productivity had increased 31 per cent in the two years to June this year. The workforce had been cut by 17 per cent and unit costs had been reduced by 15 per cent.

Raytheon plant closures in UK spark protests

By Paul Betts, Aerospace Correspondent, in London

Raytheon of the US is to close the UK corporate jet business it bought from British Aerospace and transfer the work to Kansas with the loss of 850 British jobs over the next three years.

The decision provoked a storm of protest in Britain immediately after its announcement yesterday by the industrial group, which acquired the BAe business for £250m ($387m) last year.

Representatives of the opposition Labour party and trade unions called on Mr Michael Heseltine, the British trade and industry secretary, to intervene to stop Raytheon closing its two UK facilities near Chester in northwest England and Hertfordshire in the south of the country. Raytheon currently leases both plants from BAe.

The US company, which also announced it was suspending production of the Hawker 1000 business jet and slowing production of the smaller Hawker 800 jet, said the move reflected difficulties in the recession-hit corporate jet market.

"The timing of this decision is principally driven by the current weak market conditions and substantiated by the results of a recently completed study by Raytheon after it acquired Corporate Jets from British Aerospace," the US company said.

As part of the overall rationalisation of its corporate aircraft activities, Raytheon is also cutting 630 jobs in the US.

The company is merging its Beech Aircraft subsidiary with the former BAe corporate jet activities into the Raytheon Aircraft Company based in Wichita, Kansas.

Apart from poor market conditions, Raytheon said its recently completed study of its aircraft businesses concluded that merging Hawker and Beech aircraft production would achieve significant cost savings.

Raytheon said final assembly of Hawker jets would start being moved to Wichita next year. 1997. Engineering activities will also be moved to Wichita.

It added it was immediately cutting 170 out of 550 jobs in Cheshire, where Hawker business jets are assembled, and 143 out of 300 jobs at its Hertfordshire design, engineering and marketing facility.

The remaining jobs at both plants will go by 1997, although several UK employees will be offered jobs in the US.

Since the sale to Raytheon, former BAe employees had been worried about the ultimate intentions of the US company and the strong possibility it would eventually transfer production to the US.

But yesterday's announcement still came as a big shock to staff. Mr Tony Lloyd, the Labour party's employment spokesman, said it was "outrageous that an American company can move in, buy an order book and then close down forever the plants with the consequences for skilled employment".

Haiti's opposition hides as US threatens invasion

By Canute James in Kingston and Jurek Martin in Washington

Almost all open supporters of Haiti's exiled president have gone into hiding, fearing they will become military targets as the threat of a US-led invasion intensifies.

Mr William Perry, the US defence secretary, yesterday announced the call-up of 1,700 reservists in preparation for military action to restore Jean-Bertrand Aristide as president.

President Bill Clinton met senior foreign policy and military advisers ahead of a televised address to the nation on the crisis last night.

Officials declined to comment on a New York Times report that the president might call off a fully fledged invasion if the leaders of the military junta accept an offer of third-country exile and immunity from prosecution.

Mr Emile Jonaissant, de facto president in Haiti's army-backed government, said neither his administration nor the military would give way. He accused Mr Clinton of threatening Haiti for domestic political reasons.

The decision by Mr Aristide's supporters to go underground, reported by diplomats in the capital Port-au-Prince, follows the murder of several of their number over the past two years. Statements from army officers last week said "traitorous" Haitians would "pay" in the event of an invasion.

There is also growing fear that the country's military may turn its guns on the slums of Port-au-Prince, in which the ousted president has significant popular support.

Haiti's ill-equipped and poorly trained army of 7,000 has been expanded by a rapid recruiting programme, but is not expected to offer much resistance to an invading force three times larger. However, maverick elements in the military may hide and begin guerrilla resistance.

The invading forces may have the support, or at least acquiescence, of many junior officers in the Haitian military who have been meeting in recent weeks with foreign intelligence services. They have been promised early amnesty and other unspecified "rewards" for not resisting the invasion.

The three military leaders – General Raoul Cedras, the commander of the armed forces, General Philippe Biamby, the chief of staff, and Colonel Michel François, the police chief – would be taken into custody by the invading forces, partly for their own protection, according to diplomats.

Mr Robert Malval, the prime minister appointed by Mr Aristide last year under an abortive agreement to resolve the crisis, who was sidelined by the military, would be reinstated.

THE LEX COLUMN

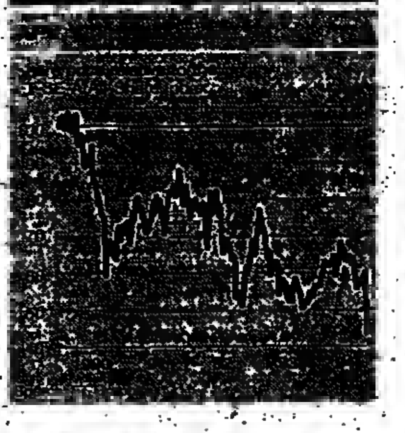
BP explores growth

BP yesterday signalled that it was ready to move from retrenchment to growth. The switch in thinking was not spelt out in so many words. The phrasing, in a briefing to analysts, was rather that the group's exploration and production division now had options. Under a conservative scenario, production – which fell from 1.7m barrels a day in 1988 to 1.4m last year – would grow at 2 per cent a year. But BP also produced a chart showing production, under a more ambitious scenario, growing at up to 7 per cent. The subtext was clear. The exploration and production division, at any rate, wants to expand.

It is understandable why BP is talking in a coded way. The last time it embarked on an investment splurge in the late 1980s, it fell flat on its face. Gearing rose to 100 per cent, its chairman had to resign and the dividend was halved. If shareholders are not to take fright, they will need reassurance that a new expansion plan will not suffer the same fate.

Matters may be different this time. First, BP has vigorously cut costs. Second, its investment plans are judged on the assumption that crude prices will fall to $14 rather than rise to $25. Third, the group has become strongly cash-generative so it should be able to increase capital spending, while still raising its dividend by 20 per cent a year and paying down debt. Yesterday's presentation marks a first attempt to win investors round to such a plan. But shareholders will be right to withhold their judgment until an expansion strategy is spelt out in greater detail.

FT-SE Index: 3112.7 (+32.9)



Legal & General

L&G's results yesterday were not as bad as they looked. The 22 per cent fall in pre-tax profits was caused by the group's disconcerting practice of including unrealised investment losses. Excluding these, earnings growth was 61 per cent, although the figures were flattered by clement weather, which reduced claims on property insurance, and an absence of IRA bombs in the City.

Nevertheless, the clouds are gathering. The general insurance business, which posted good results, will suffer as the premium cycle turns. More worrying are the prospects in UK life and pensions. The imposition of commission disclosure next year looks set to depress overall demand. A further obligation to give details about expenses will favour those with the lowest overheads. L&G is battening down the hatches for the post-disclosure squall, cutting costs and increasing productivity.

The long-term growth prospects for the UK market are nevertheless promising. Ageing baby-boomers will increasingly be attracted by savings products; the state's ability to fund adequate pension provision must be questioned, in which case the private sector will step in; and a low-inflation environment encourages savings. With L&G's shares at an 18 per cent discount to net assets – including the embedded value of the life fund – the market has already recognised the scale of the short-term difficulties to come.

United Biscuits

United Biscuits' acquisition of Dalgety's Dutch snacks business this week highlighted the group's steady progress in building up its presence in continental Europe. However the overwhelming majority of turnover still derives from the UK and the US, markets facing big medium-term problems, as the candidly pessimistic prognosis from UB's management underscored yesterday.

In the UK, UB's McVitie's brand commands 45 per cent of the biscuit market, but the generous margins enjoyed in the past are falling, as the company is squeezed between price deflation and the need to step up marketing expenditure. In the US, the belated measures being taken to straighten out Keebler – number two in biscuits behind Nabisco – are unlikely to achieve the desired doubling of margins or regeneration of cash flow before 1996. Against this background, the shares have understandably underperformed the market by a third since their latest peak in May last year.

Sentiment has been soured further because gearing and cash-flow have suffered from the combined impact of rationalisation, increased marketing expenditure and acquisitions. The group's financial situation casts doubt over its long-term ability to nourish its core businesses with investment. But the shares are supported by a yield of 6 per cent. And if the stock market is unwilling to look beyond the uninspiring earnings outlook for this year and next, perhaps a predator will place a higher value on the group's portfolio of brands.

APV

APV's troubles have hit the company just when economic recovery should have been restoring margins. In that sense, the disappointment is similar to that engendered by BTR last week. Clearly the climate in engineering is such as to leave companies vulnerable to margin erosion, but the APV case has quite specific origins. Its German competitor GEA is determined to win market share in liquid food processing machinery and no one knows how long it will keep up the pressure.

If APV can be faulted for not latching on to the risk sooner, yesterday's measures seem a reasonable response. The sharp cut in the dividend will conserve cash. APV has no choice but to restructure the liquid food business if it is to compete with GEA's prices. It is a daunting task just the same. While APV has been paying an uncovered dividend for the last four years, it has been able to maintain its stated net worth by realising goodwill through disposals. There is not much of that hidden value left to exploit, so the restructuring provision will eat into reserves. With interest cover a mere 2.5 times in the first half, APV will struggle to stay within its banking covenants.

Perhaps the sensible solution would be to solicit a bid. Arguably a market value including debt of less than £300m is low for a company with turnover of £900m. Although a bidder from within the industry might fall foul of competition regulations, an outsider might find APV's industrial businesses attractive. But it would be a daring buy while the pressure on liquid food margins continues.

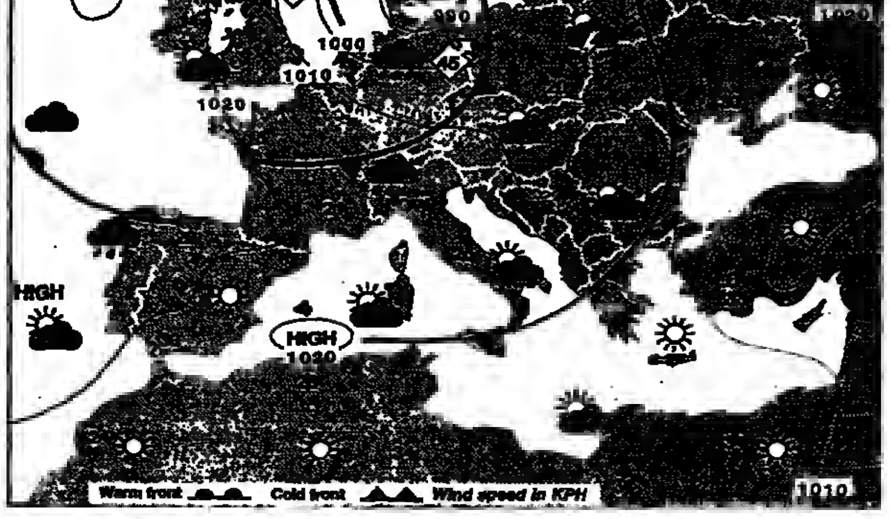
FT WEATHER GUIDE

Europe today

Low pressure near Copenhagen will cause gale to strong gale force north-westerly winds over the North Sea and the Benelux coast. Germany, the Benelux, eastern France and the Alps will be overcast with numerous showers as a result of cool and unstable air. A frontal system over Scandinavia and the Baltic states will cause showers, especially in Finland. High pressure west of the British Isles will bring clearer conditions to Ireland, southern England and north-west France. Spain and Portugal will have abundant sunshine, although the north coast will have some rain. Italy will have isolated showers while Greece, Turkey and Cyprus will remain sunny and warm.

Five-day forecast

High pressure west of the British Isles will expand towards the mainland and southern Scandinavia, reducing wind and showers around the North Sea during the weekend. Low pressure over the Mediterranean will cause a lot of rain along the east coast of Spain , in Italy and in the Alps from Sunday. South-east Europe will be hot and sunny.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	sun	40
Accra	shower	28
Algiers	sun	28
Amsterdam	windy	14
Athens	fair	32
Atlanta	thund	28
B. Aires	fair	15
B.ham	cloudy	14
Bangkok	rain	34
Barcelona	fair	23
Beijing	sun	26
Belfast	fair	13
Belgrade	shower	25
Berlin	shower	16
Bermuda	fair	30
Bogota	cloudy	19
Bombay	cloudy	30
Brussels	shower	13
Budapest	shower	20
C.hagen	rain	13
Cairo	sun	34
Cape Town	sun	19
Caracas	shower	31
Cardiff	fair	14
Casablanca	sun	24
Chicago	rain	27
Cologne	shower	13
Dakar	fair	31
Dallas	fair	31
Delhi	fair	34
Dubai	sun	39
Dublin	fair	14
Dubrovnik	fair	25
Edinburgh	windy	14
Faro	sun	27
Frankfurt	shower	13
Geneva	shower	12
Gibraltar	fair	26
Glasgow	fair	15
Hamburg	windy	14
Helsinki	shower	17
Hong Kong	rain	28
Honolulu	fair	32
Istanbul	sun	30
Jakarta	fair	32
Jersey	shower	15
Karachi	fair	32
Kuwait	sun	43
L. Angeles	fair	25
Las Palmas	sun	26
Lima	cloudy	20
Lisbon	fair	24
London	fair	16
Lux.bourg	cloudy	10
Lyon	rain	14
Madeira	fair	25
Madrid	sun	23
Majorca	sun	25
Malta	fair	30
Manchester	fair	13
Manila	thund	32
Melbourne	shower	16
Mexico City	fair	19
Miami	fair	32
Milan	shower	21
Montreal	rain	22
Moscow	fair	26
Munich	drzl	12
Nairobi	fair	26
Naples	fair	25
Nassau	shower	32
New York	fair	26
Nice	fair	21
Nicosia	sun	39
Oslo	rain	12
Paris	fair	15
Perth	sun	25
Prague	fair	16
Rangoon	rain	30
Reykjavik	cloudy	9
Rio	cloudy	20
Rome	fair	25
S. Frsco	sun	24
Seoul	fair	28
Singapore	fair	32
Stockholm	shower	16
Strasbourg	rain	14
Sydney	fair	19
Tangier	sun	25
Tel Aviv	sun	32
Tokyo	rain	28
Toronto	shower	22
Vancouver	fair	20
Venice	shower	21
Vienna	fair	17
Warsaw	fair	19
Washington	fair	28
Wellington	fair	12
Winnipeg	shower	16
Zurich	shower	12

FINANCIAL TIMES
COMPANIES & MARKETS
Friday September 16 1994

IN BRIEF

Saint-Gobain trebles profits

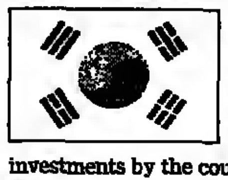
Saint-Gobain, the French glass and building materials group, almost trebled first-half results to FFr1.26bn ($230m), thanks to improved economic conditions in most of the group's markets, lower financial charges and the positive impact of restructuring measures taken over the past two years. Page 17

Fiat sells seats
Fiat, the Italian vehicles group, is selling its car seat-making activities to Lear Seating of the US. Page 16

Lufthansa to spin off services
Lufthansa, Germany's flag-carrier airline, is to spin off its cargo, aircraft maintenance and information technology services into three independent profit centres. Page 16

High hopes for Chicago Sun-Times
Mr David Radler, chief operating officer of Canadian-based Hollinger Group, hopes to double the profit margins of the Chicago Sun-Times, the city's second largest newspaper, to 14 per cent, or about $30m within the next two years. Page 17

Heavy investment in Korea



Hyundai Motor breaks ground today for a new car plant at its Asan complex in what is part of a rapid expansion of production capacity by Korean industry this year. Plant and research investments by the country's 30 biggest conglomerates are expected to increase by 55 per cent in 1994, according to the ministry of trade and industry. Page 18

Kellogg tackles India
Kellogg, the US cereals company, has launched a campaign to change breakfast habits in India as its products appeared in Bombay shops. Page 18

Khashoggi in Thai talks
Mr Adnan Khashoggi, the Saudi businessman, is in negotiations to buy stakes worth a total of more than Bt3bn ($120m) in three listed Thai companies. Page 18

Investment loss holds back L&G
An investment loss of £53m ($82m) from the bond and equity markets, held first-half pre-tax profits at Legal & General, the UK life and general insurer, to £58.0m, against £75.0m in 1993. Page 20

Snagged by stockings
Entering the French hosiery market helped to depress pre-tax profits at Courtaulds, the UK clothing and fabrics group, by 26 per cent to £10m ($15.5m). Page 21

North America lifts Logica
Logica, the UK computing services company, lifted pre-tax profits 50 per cent in the year to June 30, after a turnround in North America, which saw the US operation in profit for the first time since 1989. Page 23

Bourses see increased trading volume
Trading in the main European equity markets rose substantially in August, after four months of decline, in a delayed response to rising share prices as most market indices rose for the second successive month. Back Page

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Chief price changes yesterday

FRANKFURT (DM)			
Rises			
[illegible]	1795	+	35
Falls			
Asko	920	-	10
[illegible]	555	-	10
Lahmeyer	673	-	12
Leifheit	740	-	15
Schering	418	-	16.5
NEW YORK ($)			
Rises			
[illegible]	[illegible]	+	[illegible]
[illegible]	44¾	+	[illegible]
[illegible]	73	+	[illegible]
Procter Gamble	60⅛	+	2
Tektronix	38⅛	+	4
Falls			
ITT	79⅛	-	1¾
PARIS (FFr)			
Rises			
Bouygues	623	+	13
LVMH	886	+	20
Legris	370	+	12.5
Falls			
Cr Foncier	844	-	18
Danone	750	-	11
Gaumont	315	-	12

Tokyo closed. New York prices at 12.30.

LONDON (Pence)			
Rises			
[illegible]	33	+	3
Barratt Dev	132	+	10
[illegible]	31	+	5
[illegible]	460	+	27
Brit Data Mngmt	175	+	9
Courtaulds Text	511	+	17
[illegible]	48	+	8
[illegible]	[illegible]	+	14½
Hawtal Whiting	305	+	65
[illegible]	139	+	9
Kwik Fit	154	+	6½
Logica	316	+	14
Medeva	151	+	9
Proudfoot	81	+	10
[illegible]	184	+	6
Unigate	363	+	13
Waverley Mng	90	+	4
Falls			
APV	83	-	35½
Compel Fin Sln	118	-	7
[illegible]	237	-	9
Tadpole Tech	380	-	12

Weatherstone hands over J.P. Morgan reins

By Richard Waters in New York

Sir Dennis Weatherstone, chairman and chief executive of J.P. Morgan, will retire at the end of this year after five years in which the US institution has transformed itself into a leading international investment bank.

Sir Dennis' retirement after he turns 64 in November, and the appointment in his place of Mr Douglas Warner, who is 48, comes a year before most observers had expected.

However, analysts and rivals said the timing did not appear to be the result of internal dissent. Mr Warner, who has been the bank's president since the start of 1990, had been expected to take over.

Sir Dennis, who described the transition as "boringly uneventful" and planned for some time, said: "I am very healthy, very happy. The bank is in very good shape."

Sir Dennis yesterday won plaudits from Wall Street for J.P. Morgan's advances in investment banking. Mr George Salem, an analyst at Prudential Securities, said: "He executed the plan to transform the organisation, from one that was becoming an anachronism to one that was a leader in global finance. I would give him very high grades."

The past year, though, has seen Morgan's reputation sullied by its entanglement with Banesto, the Spanish bank taken over by the Bank of Spain at the end of last year. The controversy raised questions about the bank's ability to expand internationally without diluting its blue-chip customer base and reputation for quality.

"With the benefit of hindsight it [the Banesto investment] doesn't look too good," Sir Dennis said. "I don't think it was our most glorious moment... But it was a long-term investment, and we realised it was high-risk. We're not going to go through our business and not make any mistakes, anywhere." He added, though, that investors in J.P. Morgan's Corsair fund, which invested in Banesto, may yet do "very nicely" out of the deal.

Sir Dennis also played down the suggestion that profits have become more volatile under his tenure, as the bank relies more on income from trading in financial markets. "It may be that in times of [market] volatility the earnings will go down," he conceded, though he added: "Some of what is seen as volatility isn't there," as much of the bank's trading was for customers.

Mr Warner fits the Ivy League mould of J.P. Morgan executives better than Sir Dennis, a Briton who left school at the age of 15. Mr Warner, educated at Yale, has been with the bank throughout his career. He ran the bank's London operations in the late 1980s and headed its corporate finance business from New York. In the past five years he has been involved more on internal matters as chief operating officer.

Austria's bank adviser, Page 16

Iri nears SME sell-off as two consortia lodge bids

By Andrew Hill in Milan

The final dismembering of SME, the state-controlled Italian foods group, came a step closer yesterday when two rival consortia lodged bids for its supermarket and restaurant businesses. The offers should mark the beginning of the end of one of the messiest sell-offs by Iri, the Italian state holding company, which promised a model privatisation when the break-up and sale of SME was launched in January 1993.

It is understood that La Rinascente, the quoted Italian retail group, Ferrero, the Italian confectionery company, and FinComit, the merchant banking arm of Banca Commerciale Italiana, have joined forces for one bid. The rival bid comes from Pam, another Italian retailer, Edizione Holding, the Benetton family's holding company, and Mövenpick, the Swiss hotel and restaurant group, advised by Credit Suisse First Boston.

The consortia must first offer to buy 32 per cent of SME from Iri, which owns a 62 per cent stake. They will then launch a public offer for a further 32 per cent at the same price, and buy the rest of Iri's shares.

At yesterday's closing share price of L3,779, SME is valued at slightly more than L1,700bn ($1bn) but analysts believe the business could be worth as much as L2,000bn. Members of the winning consortium are expected to split the GS supermarkets and Autogrill motorway restaurant operations between them, possibly bringing in other investors.

Iri broke SME into three parts for the sell-off – Italgel (frozen foods and sweets), Cirio Bertolli De Rica (oil, canned vegetables and milk), and GS-Autogrill. Mr Michele Tedeschi, then Iri chief executive and now chairman, predicted in late 1992 that the operation would be completed in six months.

The sell-off has been dogged by problems. Italgel was bought by Nestlé of Switzerland in July 1993, but first attempts to sell CBD and GS-Autogrill last year had to be abandoned because Iri said the offers were inadequate.

CBD was eventually acquired by an agricultural co-operative, which sold the olive oil business to Unilever last November. Control of the rest of CBD, renamed Cirio, has now passed to Mr Sergio Cragnotti, the financier turned agro-industrialist.

The Italian government is hoping for a swift conclusion to the GS-Autogrill saga, to concentrate on the sale of Stet, the telecoms holding company, and Enel, the electricity generator.

Mirror holds its own in price war

Colin Beere

Window of opportunity: Mirror Group's chief executive David Montgomery announced the company's first post-Maxwell dividend and a modest increase in profits in spite of the newspaper price war. Page 20

UK food equipment maker blames price competition from German rival GEA and halves interim dividend

APV shares plunge on margins warning

By Andrew Bolger in London

Shares in APV fell by 30 per cent, from 118½p to 83p, yesterday after the UK-based food processing equipment specialist cut its interim dividend and warned that it was facing increasing pressure on profit margins.

APV blamed increasing competition on a recent push by GEA, a German manufacturer, into the liquid food equipment market long dominated by APV and Tetra Laval, the Swedish food packaging and equipment group.

Sir Peter Cazalet, chairman, said: "It is clear to us that GEA has been extremely aggressive and is trying to elbow its way into the industry. This is not a happy scene in terms of margins."

APV reported an increase in pre-tax profits from £4.4m to £5.8m ($9.1m) in the six months to June 30 but said it would take an unspecified charge in the second half to cover further restructuring of its liquid foods division.

Sir Peter said: "We remain committed to improving the group's profitability and consequently we will further attack our cost base and improve efficiencies." Analysts could only guess at the size of the restructuring charge, but they certainly expect it to exceed forecast pre-tax profits of £15m and push APV into a substantial loss.

The group has raised about £100m from disposals in recent years, but there is little scope for further sales. Although gearing has been cut to 33 per cent, the decision to cut the interim dividend from 2p to 1p is a tacit admission that the year-end charge will strain APV's banking covenants.

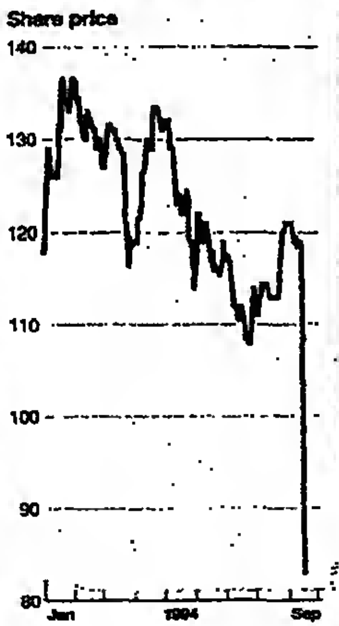
Sir Peter said that over the past few years APV had made real progress in rationalising capacity, improving efficiency, divesting non-core businesses and focusing on target markets.

But he added: "Competition in most of our major markets has recently become much more intense, and this is undermining prices at which orders are currently being won. We believe that competitive pressures are unlikely to ease in the near future." Orders on hand at the end of June were 18 per cent higher than a year earlier and the value of orders received in July and August was significantly higher than in the same two months of 1993, although at lower margins.

Sales from continuing operations rose 1.7 per cent to £381.3m. Earnings per share doubled from 0.5p to 1p.

Lex, Page 14

Hot in the kitchen



Clive Strowger, Group Chief Executive

Source: Datastream

Paddling upstream with more urgency to avoid the falls

Investors' alarmed reaction to BTR's recent warning of pressures on profit margins boiled down to a simple fear: if giants such as the UK-based industrial conglomerate are suffering, how much worse might things be for smaller companies, with weaker market positions?

Such forebodings were speedily fulfilled by APV, which has been trying to restructure in a period of depressed order books and increased competition.

APV yesterday blamed its latest margins setback on the aggressive entry into the food equipment business of GEA, the German company which has previously concentrated on industrial products.

Unlike BTR, APV said higher raw material prices were not a big factor in the equation: APV spends only about £10m per year on stainless steel, a key component in its products.

APV did say, however, that the threat to its own margins has been increased by the pressure which retailers in Europe and the US are currently putting on the group's main customers, the leading food processors.

APV has been restructuring since an an acquisitive binge in the 1980s. After escaping a hostile £220m bid from Siebe in 1986, the group doubled its turnover in three years through a series of purchases, but did little to integrate the various businesses. When recession started, profits melted away – last year the group made pre-tax profits of only £13.4m on sales of £834m. That compared with a pre-tax profits peak of £60m achieved in 1989 on a similar level of sales.

Mr Clive Strowger, chief executive since 1992, said yesterday that the proposed restructuring of APV's liquid-food equipment side would just represent an acceleration of his existing strategy. This is to move "upstream" from low-margin manufacturing and contracting work, and focus more on developing specific products and processes for key customers.

Mr Strowger said this policy had begun to pay off in the group's continuing dry goods business. The group claims a two-year lead in applying microwave technology to commercial baking ovens, and has invested heavily in ohmic heating systems, which produce food capable being stored for long periods without refrigeration.

The aggressive entry of GEA into the food business could hardly come at a worse time for APV. It has been restructuring while assuming no market growth – particularly in continental Europe, which accounts for 40 per cent of sales.

APV has faced recurring bid speculation. In 1992 it emerged that GEA had quietly built up a 2.8 per cent stake, but this holding has fallen to 1 per cent. APV has held discussions with GEA about swapping businesses, but said the possibility of a full bid by the German group had never been broached. APV's other big competitor is Tetra Laval, the Swedish food packaging and equipment group, but any bid from that quarter would face formidable regulatory obstacles.

Andrew Bolger

Swiss franc restrains Nestlé

By Ian Rodger in Zurich

Nestlé, the world's largest foods group, said its net income in the first half edged up 1.7 per cent to SFr1.27bn ($980m) with the growth depressed mainly by the high value of the Swiss franc.

The currency effect masked what it called "a number of very positive trends" in the first half. Underlying sales volume, excluding the impact of acquisitions and disposals, grew 3 per cent, against only 1 per cent in the first half of 1993, and trading profit advanced 5.1 per cent to SFr2.8bn.

The total value of sales was unchanged at SFr27.4bn, but up 6.4 per cent in constant currency terms.

The group is forecasting faster growth in net profit in the second half, and said that sales could rise slightly as well, provided that the exchange rates of the principal currencies "regain a degree of stability by the end of the year".

Nestlé makes more than 98 per cent of its sales outside Switzerland.

In a period during which the Swiss franc has risen strongly against the US dollar and against all the chief European currencies, the negative effect of translating foreign currency earnings into francs is substantial.

It also has an impact on the valuation of overseas assets.

In the first half, the group charged SFr338m against net income for the decline in Swiss franc terms of overseas assets, especially those in hyperinflationary Brazil.

Sales volumes rose steadily in both North and South America and "vigorously" in Asia. The decline of sales in Europe was halted.

The recent rise in coffee prices has not had a material effect on the group.

Raw coffee is not an important component in retail pricing of instant coffee, and the group hedges its purchases.

Net financing charges were down 17 per cent to SFr262m, reflecting lower levels of debt and lower interest rates.

At the end of June, the group's net indebtedness stood at SFr8.6bn, compared with SFr10.4bn a year earlier, mainly as a result of strong cash flow.

A further substantial reduction in borrowings can be expected in the second half provided that shareholders of L'Oréal, the French cosmetics group, approve at an EGM next week the purchase of Nestlé's interests in some of its distribution companies.

Booz to advise Austria on bank sale

By Ian Rodger in Zurich

The Austrian finance ministry said yesterday it had hired international consultants Booz, Allen & Hamilton to advise it on the sale of part of its 70 per cent voting stake in Creditanstalt, the country's second largest bank.

Last week, it was reported that the ministry had engaged J. P. Morgan, the New York investment bank, for the delicate assignment.

This latest twist in the long-running saga over Creditanstalt's privatisation comes only three days after CS Holding, the Swiss financial services group built around Crédit Suisse, withdrew its offer for a stake in the bank, citing the increasing politicisation of discussion of the issue.

CS was also thought to be annoyed that J.P. Morgan, a strong rival of CS's investment banking subsidiary First Boston, was selected to assess the bids.

Sources close to the government say J.P. Morgan was never actually engaged, a position confirmed by J.P. Morgan.

The appointment of Booz, which is not in the investment banking business, may be an attempt by the Austrian finance ministry, which has been supportive of the CS Holding bid, to bring the Swiss back into the running.

However, CS said yesterday its decision to withdraw was firm.

That leaves only a so-called Austrian consortium, headed by Italian-controlled Viennese insurance group EA Generali, with a concrete bid lodged.

The German insurance group Allianz has also expressed an interest, and the Austrian federation of Raiffaisen bank co-operatives is thought to be interested. Its merger proposal with Creditanstalt last year was rebuffed by the finance minister, Mr Ferdinand Lacina.

Mr Franz Vranitzky, the chancellor, expressed his confidence in Mr Lacina yesterday, saying the minister had "properly handled" the matter. It was now a matter of finding more interested parties, which would require more time.

Vienna airport authority down 19%

Flughafen Wien, the partially-privatised Vienna airport authority, has reported a 19 per cent slide in consolidated net income in the first half, to Sch202.8m ($18.6m). It blamed higher financing costs and taxes, Ian Rodger reports from Zurich.

However, operating profits were ahead 9.8 per cent to Sch205.9m, on revenues up 6.7 per cent to Sch1.56bn, reflecting what the group called healthy growth. Passenger traffic was up 8 per cent; take-offs and landings rose 8.4 per cent and maximum take-off weight, 5.4 per cent.

● Mayr-Melnhof Karton, the Austrian carton board producer, said a sharp increase in raw materials costs in May would only be offset by price increases in June and take full effect in the fourth quarter, Reuters reports from Zurich.

As a result, full-year results are expected to show only a modest improvement over the first half. Group net profits are seen at Sch140m and cash flow at Sch920m.

First-half net profits were Sch105m, while full-year profits for 1993 were Sch117m. Cash flow in the first six months was Sch511m, and Sch831m for the full year.

"The unprecedented increase in international used paper prices that began in May has had immediate and unpleasant consequences for the business year 1994," the company said.

Caisse des Dépôts seeks to sell cable-TV operations

By John Ridding in Paris

Six French industrial and media groups are set to compete to buy Com-Dev, the cable television operations of the Caisse des Dépôts et Consignations, a state financial institution.

Com-Dev is one of France's largest cable television operators with about 200,000 subscribers and network connections to a total of 400,000 buildings.

However, like most other French cable operators it continues to suffer losses. Last year it recorded a deficit of FFr480m ($90.7m), of which about FFr400m related to the cost of investment in building the network.

The companies interested in buying all or part of the cable business are thought to include France Telecom, Chargeurs, Lyonnaise Communications, TDF, Générale des Eaux, and a subsidiary of Electricité de France. Most already have activities in the media or telecommunications sectors. Générale des Eaux, the construction, utilities and communications group, is already France's largest cable television operator with about 450,000 residences connected to its networks.

Mr Willy Stricker, president of Com-Dev, declined to comment on the possible value of the company. He said the cable operator could be sold in separate tranches, but that a global offer would be preferred. A decision on the successful candidate, or candidates, is expected by the end of the year.

The Caisse des Dépôts wants to sell its cable television operations because they lie outside its principal financial and investment interests. An attempt last year to sell Com-Dev drew interest from France Telecom and Générale des Eaux.

The sale was postponed, however, reportedly because of disagreements over price and the political sensitivity of the issue, following the upheavals at Canal Plus, the pay-TV station. Mr André Rousselet resigned as chairman of Canal Plus earlier this year following an accord between various communications groups, including Havas and Générale des Eaux, to form a controlling shareholder group in the pay-TV company.

Since the launch in the 1980s of the "Plan Cable" by the French government, the public and private sectors have invested about FFr30bn in cable TV. Caisse des Dépôts has invested about FFr2bn.

NEWS IN BRIEF

Unisys creates business units

Unisys, the US information systems group, has created two business units to focus on the worldwide transportation market and the US health information management market, agencies report.

Mr Dennis Christ has been named president of the transportation unit and Mr Bill Sturm is president of the health information management area. Unisys said that in transportation, areas of market expansion would include airport modernisation, the travel and hospitality industry, railroads, and freight forwarders.

In health information management, Unisys said that it planned to form alliances with health maintenance organisations and insurance companies.

Ski-maker's rescue deal collapses

Atomic, one of the world's largest ski producers, faced bankruptcy yesterday after a proposed rescue deal with its main creditor bank fell through, bank officials said, AP-DJ reports from Zurich.

The tug of war over Atomic, one of Austria's best-known enterprises, has been headlined in the local media as an "economic thriller".

Mr Alois Rohrmoser, Atomic owner and founder, offered the Bank fur Arbeit und Wirtschaft full ownership of the company for a nominal price of Sch1 (about 10 US cents) on condition that the bank halted bankruptcy proceedings.

Bankruptcy threat to Tiphook's Montague

By Simon Davies in London

A bankruptcy petition has been issued against Mr Robert Montague, founder and chief executive of Tiphook, less than a month after it was revealed he would get total payments of £1.34m ($2.1m) for a year when Tiphook lost £331.1m. It is understood the petition concerns a £2.2m loan facility from a leading UK bank.

The news emerged during a raucous annual general meeting, at which shareholders complained bitterly about the £6.4m of payments to directors of the troubled transport leasing group.

The Lord Chancellor's office confirmed that a bankruptcy petition was issued yesterday by Oxford County Court to Alsop Wilkinson, the legal representatives of the petitioner, after consideration by a district judge.

The petition has not yet been served on Mr Montague, but it is listed for a court hearing on October 28. A Tiphook spokesman said: "It is a matter entirely for Mr Montague." Alsop Wilkinson would not comment. Mr Montague denied that he faced any financial difficulties.

During the annual meeting, shareholders in Tiphook focused on their own financial problems, as their company retains more than £1bn of debt after selling its container business, and it retains two loss-making businesses.

Mr Rupert Hambro, the company's outgoing chairman, admitted that the £6.4m of directors' payments for last year was wrong. "There is no justification for this," he said. But he claimed that Tiphook was making strenuous efforts to redress its notorious cost base, which included a 139ft yacht.

Shareholders supported him by approving all the AGM resolutions on a poll, although a potentially embarrassing show of hands was avoided.

Mr Montague was questioned about his financial health by Mr Paul Snook, of accountants Buchler Phillips, representing a *Lehman Brothers'* shareholding.

Fiat sells seat-making arm to Lear Seating for $160m

By John Griffiths in London

Fiat, the Italian vehicles group, is taking another step to out-source more motor components with the $160m sale of its car seat-making activities to Lear Seating of the US.

Under a preliminary deal announced yesterday, Lear will acquire Fiat's Italian-based Sepi seat-making subsidiary.

Sepi will continue, under Lear's ownership, to supply Fiat's Italian car plants.

However, Lear will also use the operations to supply markets in eastern Europe and Latin America.

The deal is in line with a growing trend by leading car producers to concentrate on vehicle assembly, leaving many component supplies to independent producers, which can achieve greater economies of scale by supplying several other vehicle makers simultaneously.

Two months ago, Fiat in effect disengaged itself from another important components sector, the constant velocity joints and driveshafts essential to all front-wheel-drive cars, in a deal with GKN, the UK industrial group.

GKN agreed to invest £50m ($77.5m) in a joint venture with Fiat which will supply the Italian vehicle maker with driveline components from a new factory near Florence.

GKN holds 85 per cent and management control of the venture, which has taken over Fiat's own business which had been making the components.

The Lear-Sepi and GKN ventures provide for non-Fiat customers to be supplied.

Sepi had 1993 sales of about $850m and produced seats for more than 1m vehicles. It has about 1,800 employees.

The Sepi agreement is subject to completion of a due-diligence review and other conditions.

However, when completed the deal "will increase our global market share and further strengthen our European position as well as allow us the opportunity to expand with Fiat in eastern Europe and South America," said Mr Ken Way, Lear's chairman and chief executive.

United Biscuits up 12% as UK slips

By Roderick Oram in London

United Biscuits (Holdings) yesterday reported a 12 per cent rise in underlying interim profits with better performances in the US, Europe and Asia Pacific more than covering a downturn in the fiercely competitive UK market for biscuits and snacks.

Pre-tax profits before exceptional gains for the 28 weeks to July 16 rose from £71.4m to £80.1m ($124m). On an FRS3 basis, the year earlier pre-tax profits were £134.1m after the £62.7m gain on the sale of Terrys, the chocolate maker. The profits beat most forecasts by a small margin but the shares eased 1p to 319p after UB disappointed some analysts by failing to raise its dividend from 5.5p a share.

"No dividend increase was prudent," Mr John Warren, finance director, said. The company was conserving cash to invest in promising countries such as China and to improve productivity. It was also rebuilding dividend cover from about 1.7 times to about 2 although this would not preclude dividend increases.

UK operations were hit by price deflation. McVitie's, the leading biscuit brand, saw volume grow 2 per cent without any value increase. The division's UK sales rose 1 per cent to £312.8m but operating profits fell 10 per cent to £32.5m.

However, McVitie's overseas profits rose 20 per cent to £10.4m on sales up 13 per cent to £168.8m.

KP snacks saw the UK market volume rise 1 per cent but fall 0.5 per cent in value. KP's sales rose 4 per cent to £207.8m with a strong contribution from the Phileas Fogg brand. Profits were slightly ahead at £15m.

A strong Asia Pacific performance and a flat result in continental Europe left KP division profits up 2 per cent at £26.6m on sales up 3 per cent at £454m.

Heavy restructuring and brisk growth of specialist brands at Ross Young's, the UK frozen foods business, helped lift profit by £0.9m to £16m on flat sales.

Keebler, the troubled US cookie and snack maker, showed the first signs of a turnround. Earnings per share were 10.7p against 17.1p including the Terrys gain and 9.6p without.

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Zurich Insurance buys bank

By Ian Rodger

Zurich Insurance, one of the world's largest insurance groups, is acquiring a Zurich private bank, Rüd, Blass & Cie, which operates mainly in securities broking, from Mr Jürg Blass.

Mr Rolf Hänggi, deputy chief executive of Zurich, said the acquisition is being made in the context of the liberalisation of Swiss regulations on life insurance products.

Companies can now offer investment trust-linked life insurance policies. Mr Hänggi said that meant Zurich would have a need for investment trust management. It already has investment trust management subsidiaries in Germany and Italy and hopes to manage some of its new Swiss business through its acquisition.

Rüd, Blass, with total assets of SFr351.4m ($275m) at the end of last year, specialises in trading Swiss franc securities and is particularly strong in bond trading.

Mr Hänggi said Zurich, which maintains about a third of its SFr78.5bn investments in Swiss francs, generates about SFr3bn a year in transactions in that currency.

Dairy Farm

Interim Report Highlights 1994

- Profit after taxation US$109.1m + 60%
- Earnings per ordinary share US¢5.99 + 50%
- Earnings per ordinary share before exceptional item US¢4.00 Unchanged
- Dividend per ordinary share US¢1.65 + 6%

"Dairy Farm has experienced more severe competition in some of its major markets but continued to make progress with its international development. While the overall result for the year will be enhanced by the exceptional gain recorded in the first half, the operating profit is likely to remain at a similar level to 1993."

Simon Keswick, *Chairman*
15th September 1994

Consolidated Profit and Loss Account

	(unaudited) Six months ended 30th June 1994 US$m	1993 US$m	Year ended 31st December 1993 US$m
Turnover	2,637.4	2,383.7	4,979.6
Operating costs	(2,573.6)	(2,322.2)	(4,807.3)
Operating profit	63.8	61.5	172.3
Share of profits of associates	44.0	40.4	98.5
	107.8	101.9	270.8
Exceptional item	41.8	–	–
Profit before interest and taxation	149.6	101.9	270.8
Net interest expense	(10.5)	(10.3)	(18.5)
Profit before taxation	139.1	91.6	252.3
Taxation	(30.0)	(23.6)	(54.5)
Profit after taxation	109.1	68.0	197.8
Minority interests	(0.7)	0.1	(0.3)
Profit after taxation and minority interests	108.4	68.1	197.5
Preference dividends	(6.8)	(1.9)	(8.7)
Profit attributable to ordinary Shareholders	101.6	66.2	188.8
Ordinary dividends	(28.3)	(26.1)	(95.5)
Retained profit for the period	73.3	40.1	93.3
	US¢	US¢	US¢
Earnings per ordinary share	5.99	3.98	11.28
Dividends per ordinary share	1.65	1.55	5.65

Dairy Farm International Holdings Limited
Incorporated in Bermuda with limited liability

A member of the Jardine Matheson Group

Note:

The interim dividend of US¢1.65 per ordinary share will be payable on 1st December 1994 to ordinary Shareholders on the register at the close of business on 30th September 1994 and will be available in cash with a scrip alternative. The ordinary share registers will be closed from 3rd to 7th October 1994 inclusive. The ordinary dividend, declared in United States Dollars, will also be available in Australian Dollars, Hong Kong Dollars and Sterling calculated by reference to rates prevailing ten business days prior to the payment date. Ordinary Shareholders on the International branch register will receive United States Dollars while ordinary Shareholders on the Hong Kong branch register will receive Hong Kong Dollars, unless they elect for one of the alternative currencies by notifying the Company's registrars or transfer agents by 4.00 p.m. (local time) on 4th November 1994. Ordinary Shareholders whose ordinary shares are held through the Central Depository System in Singapore ("CDP") will receive Hong Kong Dollars unless they elect through CDP to receive United States Dollars.

NOTICE TO THE HOLDERS OF KKBC INTERNATIONAL LTD.

US$50,000,000 FLOATING RATE NOTES DUE 1995
US$30,000,000 FLOATING RATE NOTES DUE 1996

NOTICE IS HEREBY GIVEN to the holders of the above mentioned notes that effective June 1, 1994, KKBC INTERNATIONAL LTD., changed its name to:

HYUNDAI INTERNATIONAL MERCHANT BANK ("HIMB")

The notes will not be stamped or exchanged as a result of the change of name and will remain listed on the Luxembourg Stock Exchange under the former name followed by an indication of the new one.

Listing Agent
BANQUE INTERNATIONALE A LUXEMBOURG

Petrolera Argentina San Jorge S.A.
Notice of Securityholders' Meeting

NOTICE IS HEREBY GIVEN to the holders ("Securityholders") of the US$ 45,000,000 11% Secured Negotiable Obligations due 1995 – 1998 (the "Securities") issued by Petrolera Argentina San Jorge S.A. (the "Issuer") that a Securityholders' meeting (the "Meeting") will be held at 10:00 AM on October 3, 1994 at the Buenos Aires Sheraton Hotel, Room Rio de la Plata, San Martin No. 1225, 2nd Floor, Buenos Aires, Argentina. If a quorum is not present, the Meeting shall be adjourned to and be reconvened at 11:00 AM on such day. The Meeting shall be for the following purposes:

1. To consider and act upon certain proposed amendments to the Indenture dated as of February 9, 1993, among BankAmerica National Trust Company (the "Trustee") and the Issuer, and other parties, (the "Indenture"):

a) To enhance the Issuer's ability under Section 906 of the Indenture to incur indebtedness, provided that the Issuer's ratio of long-term debt to equity does not exceed 60:40; and

b) To enhance the Issuer's ability under paragraph (a) of Section 909 of the Indenture to incur short-term indebtedness by decreasing the Issuer's required current ratio from 1.5 to 1.2.

2. To consider and act upon an amendment to the Custody and Payment Agreement dated as of January 29, 1993, among the Issuer, the Trustee, International Finance Corporation ("IFC") and the Bank of New York S.A. (the "Bank"), to facilitate the release of funds deposited in the escrow account established thereunder.

3. To designate two Securityholders to sign the minutes of the Meeting.

The Securityholders are hereby reminded that, in order to vote at the Meeting, they must (i) if they hold Securities in bearer form, deposit such Securities with the Issuer by September 28, 1994, at the Issuer's address below, or deliver to the Issuer at such address, a certificate signed by any trust company, bank or other depositary setting forth the principal amount and serial numbers of Securities held by such Securityholder and confirming that, as of September 28, 1994, the Securities so described were held on deposit by such depositary or (ii) if they hold Securities in registered form, provide written notice to Banco Medefin S.A., at 25 de Mayo 489, 1002 Buenos Aires, Argentina, Attention: Sr. Ernesto Achával, by September 28, 1994, of their intention to attend the Meeting. Copies of the text of the proposed amendments and of a form certificate to be used by holders of bearer Securities will be furnished by the Trustee to Securityholders upon request. Any Securityholder may attend the Meeting either personally or by proxy.

Petrolera Argentina San Jorge S.A.
Peron 925 – Piso 7
1038 Buenos Aires
Argentina

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

½ hour period ending	Provisional Price for Trading on [illegible]: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh
0030	12.26	10.70	12.89
0100	11.12	10.70	12.89
0130	11.12	10.70	12.89
0200	11.12	10.70	12.89
0230	11.12	10.70	12.89
0300	11.12	10.70	12.89
0330	11.12	10.70	12.89
0400	11.12	10.70	12.89
0430	11.12	10.70	12.89
0500	11.12	10.00	10.00
0530	8.94	10.85	13.11
0600	8.94	10.08	13.11
0630	14.32	10.83	13.11
0700	14.32	12.19	14.37
0730	16.12	16.85	19.03
0800	16.97	16.85	19.03
0830	17.46	20.01	22.20
0900	18.57	20.05	22.25
0930	18.54	20.28	22.49
1000	18.61	28.11	28.33
1030	18.77	28.12	28.34
1100	18.72	28.13	28.36
1130	18.82	31.89	34.12
1200	18.83	31.92	34.15
1230	18.70	31.89	34.12
1300	18.44	31.82	34.03
1330	17.57	28.02	28.21
1400	17.91	20.01	22.20
1430	17.15	20.01	22.18
1500	17.15	17.61	20.00
1530	16.44	17.81	19.89
1600	16.44	17.61	19.89
1630	25.99	17.81	19.82
1700	25.40	17.61	19.89
1730	25.39	17.81	19.89
1800	25.39	17.61	19.89
1830	16.44	16.85	19.03
1900	16.44	16.85	19.03
1930	16.44	16.85	19.03
2000	24.13	13.89	13.88
2030	24.13	13.82	13.52
2100	24.12	16.95	18.03
2130	16.44	19.80	21.96
2200	16.44	19.80	21.96
2230	16.44	16.85	19.03
2300	14.91	16.03	18.21
2330	14.30	16.03	18.21
2400	11.40	13.17	16.35

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.80/MWh becomes 1.880p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone [illegible] between 8.30am and 5.15pm Monday to Friday.
©Energy Settlements and Information Services Limited

CONTRACTS & TENDERS

PROCEDURE OF EXTRAORDINARY ADMINISTRATION
OF CAVIRIVEST S.P.A
with its site in Bagnoli di Sopra (PD) Italy,
Viale dell'Industria No. 1
According to the Italian law 3.4.1979 No.95
Decree of 12.8.1994 Prot. 102013 of the
Ministry of Industry and Commerce
PROCEEDINGS TO THE SALE OF CAVIRIVEST PLANT

The Governmental Administrator informs all the parties concerned that Cavirivest S.p.A. owns an industrial plant formed by three production units. Two production units are located near Padova (Italy), in Bagnoli di Sopra, and the third one near Perugia (Italy), in Umbertide. The products manufactured by the above units are the following:

1) billots and rods from copper cathodes and scraps by a series of furnaces, continuous-castings and an annual capacity of 50,000 tons (first unit located in Bagnoli);
2) aluminium and copper stranded conductors for power lines and bare, insulated and enamelled aluminium and copper wires for an annual capacity of 35,000 tons (second factory located in Bagnoli);
3) bare and enamelled copper thin wires for an annual capacity of 4,500 tons (unit located in Umbertide - Perugia).

The Governmental Administrator of Cavirivest S.p.A., in consideration of the fact that:

- the transfer of the Company has met with great interest;
- it is reasonable to adopt the form of the public tender so as to ensure the maximum transparency in the procedure of the Company sale;
- the price of the Company has been fixed at 31 (thirty one) thousand million Italian lira by the expert Mr. Coluzzi, according to the provisions of Article no. 6/bis of Italian Law no. 95/75;
- not included in the above mentioned price there are properties belonging to third parties. These properties are also on sale and the sales conditions have to be agreed upon;
- Cavirivest S.p.A. in Extraordinary Administration intends to transfer the production units equipped with their machinery as a whole. These machineries are listed in the expert report deposited at Cavirivest offices;
- the interested parties may submit their offers, not lower than 31 thousand million Italian Lira, for the transfer of the entire plant;
- the choice of the buyer will mainly depend on the offer consistency, on the financial and economic means, on the technical and industrial competence as to the management of the factories on sale, on the industrial programme and on the buyer's commitment to keep the present employment levels;
- the offers, addressed in a sealed envelope, have to be analytical and clearly state the offered price, the payment conditions and the relevant guarantees. The offers should also enclose the industrial programme as well as any other details needed to allow a complete evaluation;
- the tenderers, by previous agreement with the mortgagees, may pay a part of the offered price by taking all existing loans upon themselves;
- the offers formulated as for the above, together with the caution guarantee, should be deposited also in the form of a banking or insurance warranty corresponding to 10% of the offered price. The offers should be addressed to the offices of Notary Mr. Fausti Pier Luigi, Via Verdi, 14 - Bergamo - phone no. (35) 233632 within October 20, 1994, 6 p.m.;
- the receipt of offers does not engage Cavirivest S.p.A. in Extraordinary Administration in the transfer of the Company to the tenderers. The tenderers, on the other hand, do not have any right to do any service at any title for Cavirivest S.p.A. in Extraordinary Administration;
- the envelopes will be opened in the offices of Notary Mr. Fausti Pier Luigi - Bergamo - On October 21, 1994 at 9.30 a.m.;

will ask the authorisation of the Ministry, an essential condition for the transfer of the plant for sale, after the accomplishment of the above mentioned procedures and once the opinion of the Surveillance Committee has been heard. The transfer of the Company will be defined within 30 days from receipt of authorisation of the Ministry.

Further information is available directly from:

Governmental Administrator
Via Matris Domini, 8
Bergamo
Phone no. (35) 238816 Fax no. (35) 234773
CAVIRIVEST S.P.A.
In Extraordinary Administration

Minorco jumps 43% after operational shake-up

By Kenneth Gooding, Mining Correspondent

Minorco, the Luxembourg-quoted natural resources company controlled by the Anglo American-De Beers group of South Africa, had been firmly established as an operating, rather than a holding company, Mr Julian Dgilvie Thompson, chairman, said yesterday.

In spite of relatively weak metals prices for nearly all of the past 12 months, he reported that Minorco's operating earnings jumped by 43 per cent from US$139.8m to a restated $200.5m.

Earnings before tax for the 12 months to June 30 were lower at $308.8m, against $340m, because of reduced financial income and earnings from equity accounted investments as well as higher exploration expenditure.

Minorco was finally transformed into an operating company during the past year by the transaction which merged into it the international, non-diamond interests of Anglo American and De Beers.

The new assets included a wide range of natural resource and industrial interests in South America, European paper and packaging interests managed by Mondi European Holdings, Cleveland Potash, the UK's only potash mine, and a portfolio of investments based in South East Asia and Australia – most notably a 19.9 per cent interest in Normandy Poseidon, one of Australia's biggest gold producers.

The company also bought a 50 per cent interest with Mondi in Aylesford Newsprint, which has started a £250m expansion project in the UK, while its Terra offshoot is to acquire for $400m the Agricultural Minerals and Chemicals group, more than doubling Terra's production of nitrogen fertilisers and establishing it as a major methanol producer.

Minorco, looking to expand its shareholder base and improve its international profile, has converted its unsponsored American depositary receipt programme into a sponsored programme by appointing Morgan Guaranty Trust as sole depositary.

Earnings before extraordinary items were down from $251.9m to $221.9m or from $1.12 a share to 99 cents. Profit after extraordinary items was $226.3m, against $339.7m. Minorco is paying a second unchanged interim dividend of 38 cents. In order to change to calendar year accounting, the company is reporting for an 18-month period to end-December. It intends to pay a final dividend of no less than 38 cents.

BBV appoints chief executive

By Tom Burns in Madrid

Benco Bilbao Vizcaya, yesterday appointed Mr Pedro Luis Uriarte chief executive and announced that Mr Javier Gúrpide, the institution's deputy chairman, was relinquishing his management responsibilities. This is the second management shake-up this week by a big Spanish bank,

The development at BBV followed Monday's announcement by Banco Santander that its chief executive Mr Rodrigo Echenique was stepping down.

His role in the bank is to be be partially filled by Mr Matias Rodriguez Inciarte, promoted to second vice-president of the banking group, and by Ms Ana Patricia Botín, the daughter of Santander chairman Mr Emilio Botín, who was was appointed a general director of the bank and the chief executive of its brokerage arm.

Although neither of the two rival banks has given reasons for the changes, both are understood to be broadly linked to the shake-out in Spanish banking last April when Santander outbid BBV to acquire the Banesto banking group and established a clear lead over BBV as Spain's premier financial institution.

Mr Gúrpide is viewed as carrying the blame for BBV's failure to acquire Banesto while Mr Echenique is seen as not having been sufficiently enthusiastic about Santander's successful bid.

Mr Uriarte, 51, a general director of BBV since 1990, has been entrusted with the job of lifting morale and renewing the bank's aggressive edge.

Elf Congo to sell oil field stake

By John Ridding in Paris

Elf Congo, a subsidiary of Elf Aquitaine, the French oil group, is to sell a 22.5 per cent stake in one of its biggest oil fields in the Gulf of Guinea to Chevron of the US.

Elf said yesterday the sale of the stake in the N'Kossa oil field and the Haute Mer permit would become effective following approval by the Congolese authorities. The French company declined to comment on the price to be paid by Chevron.

The sale of the stake is in line with Elf's strategy of reducing investment costs and curbing its debt burden. The company is planning to reduce investment spending by 20 per cent this year to FFr32bn ($6bn).

The N'Kossa field is due to start production in mid-1996. Elf Congo, 75 per cent owned by Elf and 25 per cent by the Republic of Congo, will be the operator on the two permits and will hold a 62.5 per cent stake in them. Chevron Overseas (Congo) will hold a 22.5 per cent stake and Hydro Congo, the state oil company, will hold 15 per cent.

● Chargeurs, the French diversified industrial group, has swung back into profit in the first half of this year, agencies report. It posted a net profit of FFr213m, compared with a loss of FFr209m in the first half of 1993.

St Gobain up sharply to FFr1.2bn at halfway

By John Ridding in Paris

Saint-Gobain, the French glass and building materials group, almost trebled first half results, lifting net profits from FFr452m in the first six months of last year to FFr1.26bn ($239m).

The sharp increase, above most analysts' forecasts, reflected improved economic conditions in most of the group's markets, lower financial charges and the positive impact of restructuring measures taken over the past two years.

The performance was welcome news for the company, whose shares have been hit over the past few weeks following the investigation of its chairman, Mr Jean-Lonis Beffa, as part of a corruption probe.

The investigation, involving one of the company's subsidiaries, is one of several to affect leading French industrialists over recent months.

The improved result was achieved on sales of FFr38.04bn in the first half of 1994, compared with a figure of FFr35.74bn in the same period in 1993. Operating profits rose from FFr2.34bn to FFr3.5bn, while financial charges fell from FFr930m to FFr735m.

Turnover rose strongly on the American continent, and started to show a similar revival in Europe, according to the company. Last year, Saint-Gobain was badly affected by depressed demand in the construction and automobile sectors.

The company said all of its principal operating divisions had seen a significant increase in results, with the exception of piping. This activity saw stable results, reflecting weak demand in the European water sector.

Industry analysts predicted that the strong performance would continue in the second half of the year. They said that results would be boosted by exceptional gains of about FFr900m resulting from the sale of its paper and packaging activities to Jefferson Smurfit of Ireland.

Landmark ruling on Canadian telecoms

By Bernard Simon in Toronto

Canadian regulators will release a landmark ruling today which is expected to encourage greater competition in telecommunications, and to re-define the boundaries between telephone companies, broadcasters and cable-TV operators.

The report by the Canadian Radio-television and Telecommunications Commission (CRTC) follows several months of hearings at which groups from all sectors of the telecommunications industry urged a radical overhaul of the regulatory framework.

The CRTC began its review to accommodate the rapid evolution of telephone companies into providers of other services, and the increasingly blurred technologies of the telephone, cable-TV and computer industries.

The phone companies, such as Bell Canada, presently dominate Canada's telecom markets. The long-distance telephone market was opened to competition in 1992, but the phone companies continue to have a monopoly on local services.

Long-distance calls have in the past heavily subsidised local services. But growing competition in the long-distance market has spurred calls for an overhaul of local pricing and market entry.

Cable-TV operators are gradually moving towards the local phone market with the installation of fibre-optic networks equipped with two-way switches. Canadian homes have one of the world's highest penetrations of cable-TV.

On the other hand, the phone companies have pressed for greater freedom to enter the cable-TV and multimedia sectors.

When it gave notice of the review in late 1992, the CRTC indicated it wanted to bring down barriers to competition. "Regulatory streamlining will depend in part on the degree of effective competition in the market served by the telephone companies," it said.

Separately, Rogers Communications, Canada's biggest cable-TV operator, said yesterday it planned to dispose of the non-Canadian publishing operations of Maclean Hunter, the communications group being acquired by Rogers. MH publishes directories and periodicals in the US as well as eight European countries. These interests include a stable of advertising rate and data directories, and Bauverlag, a German construction publishing company. Rogers said it would retain MH's Canadian publishing interests.

Radler faces a Chicago challenge

Laurie Morse on the Hollinger chief's task at a top US newspaper

Mr David Radler, who is Conrad Black's right hand man in his international newspaper empire, sits in the publisher's suite at the Chicago Sun-Times ticking off his cost-cutting plans for the city's second-largest newspaper.

"Aside from already announced lay-offs and buy-outs there's another $7m to $10m of non-salaried expenses which we'll be able to carve out," he says.

Mr Radler, chief operating officer of Canadian-based Hollinger Group, hopes to double the Chicago paper's profit margins to 14 per cent, or about $30m, within the next two years. Last year the Sun-Times earned $19m, a margin of 7.5 per cent.

He will be helped by a general recovery in the US economy and a cyclical rise in newspaper advertising lineage.

Squeezing profits out of the Sun-Times, the US's ninth-largest newspaper, is a key component in Hollinger's expansion strategy. The Chicago newspaper became Hollinger's long sought-after US flagship in March, when American Publishing, Hollinger's US subsidiary, bought it and 61 affiliated suburban Chicago publications from a syndicate of private investors for $180m.

The Sun-Times acquisition more than doubled American Publishing's revenues, and places the group in a major urban US market for the first time.


David Radler: hopes to double paper's profit margins to 14%

APC owns more than 340 newspapers, but most of them are small-town dailies or weeklies scattered across the US. It also controls the Jerusalem Post.

The Chicago paper is perceived as a cash-generating machine that will finance other US acquisitions.

APC used the purchase to raise $100m in a public share offering two months after buying the Sun-Times, being careful to reserve all voting rights for Hollinger.

But there was nothing specific about the Chicago market that attracted Hollinger to the Sun-Times. "We've tried to buy other papers," Mr Radler said, referring to Hollinger's widely publicised bid for the New York Daily News in 1992, "but we were unsuccessful".

The dogged search for dispensable expenses has shaken the Sun-Times from the pressroom to the boardroom.

The paper's general manager, chief financial officer and controller departed shortly after American Publishing took hold, and the long-time Sun-Times publisher Mr Sam McKeel retired on July 31.

A new publisher (the equivalent of a chief executive) has not been named, but Mr Radler, who is based in Vancouver and is looking for an apartment in Chicago, says he will move into Mr McKeel's old office when he finds the time.

Among the rank-and-file, more than 50 employees have left or been laid off since March. Insiders say at least 100 Sun-Times employees will have left by December.

American Publishing aims to trim the Sun-Times' 1,500-person staff by 200 during its first two years of ownership.

However, cutting costs at the Sun-Times has not been easy.

The syndicate that sold the Sun-Times to the Hollinger group bought it from Rupert Murdoch in a leveraged buy-out in 1983. That deal left the paper laden with debt and with little cash for technology improvements, promotion, or wage increases.

Unlike the London Daily Telegraph, which Hollinger turned around smartly after buying it in 1987, the Sun-Times is produced by a slim staff (labour accounts for only 35 per cent of costs) and its 35-cent daily cover price is already 15 cents below its rival, the Chicago Tribune, limiting opportunities for a price-based circulation war.

"This is not Fleet Street, not in terms of management or technology," says Mr Radler. "The Telegraph was a 1940s newspaper. The Sun-Times is a 1970s paper," he says.

One of Mr Radler's concerns is replacing the Sun-Time's elderly presses with technology that will print colour advertising supplements and employ fewer pressmen. The upgrade is expected to cost $75m to $80m.

He is also faced with difficult labour talks with the guild representing the paper's 265 newsroom employees over pay. The current three-year contract expires on September 31 and negotiations are at a standstill.

Mr Radler shrugs off the possibility of a strike, saying neither side wants one, while noting that Hollinger readily weathered a 62-day strike at its Quebec City newspaper last year.

Hollinger's purchase, however, should engender confidence that Chicago will remain a two-newspaper town. "Chicago is a good city," says Mr Radler. "Its competitive, but we're confident about doing business here."

Chaebol lead quest for growth

Korea's industry leaders are investing heavily, writes John Burton

Hyundai Motor today will break ground for a new car plant at its Asan complex in what is part of a rapid expansion of production capacity by Korean industry this year.

Plant and research investments by the country's 30 biggest conglomerates, or chaebol, are expected to increase by 55 per cent to an estimated Won24,200bn ($30bn) in 1994, according to the ministry of trade and industry.

The Hyundai group is leading the field with Won4,500bn in investments, followed by Samsung with Won3,700bn and Lucky-Goldstar with Won2,800bn.

The large spending on industrial facilities is in response to a sudden rise in exports. The weakening of the Korean won against the Japanese yen has lifted overseas shipments of electronics, cars, steel and ships. Investment spending is contributing to a recovery of the Korean economy, with GNP expected to grow 8.3 per cent this year.

Korea's industrial base is impressive. It has the world's second-biggest shipbuilding industry, and ranks fifth in textile and petrochemical production and sixth in electronics, cars and steel.

However, analysts warn that Korean industry's quest for greater size is being conducted at the expense of improvements in product quality, and may leave companies with excess production capacity if global demand weakens and the Korean currency appreciates.

"It's either feast or famine for Korea," said Mr James Oborne, head of research at W.I. Carr Securities in Seoul. "When global demand is good, Korea has the capacity to cover it quickly. But the downside is that it is left with surplus capacity when demand falls."

Moreover, there are doubts whether a production increase is wise when Korea is beginning to dismantle trade barriers, which have protected its lucrative domestic market, in preparation for joining the Organisation for Economic Co-operation and Development in 1996.

The production expansion is being encouraged by the government, which traditionally paid little regard to market conditions in its ambition to transform Korea into an industrial powerhouse.

Industrial investments are largely being financed by state-subsidised bank loans, which enable the chaebol to undertake the large spending, in spite of their high debt-equity ratios of 200 per cent to 300 per cent.

The new Hyundai car plant, for example, is part of a government programme, known as X-5, to make Korea the world's fifth largest motor producer by doubling capacity to 4.65m vehicles by 2000. Korea's other main car companies, Kia and Daewoo, are increasing capacity, while Ssangyong is expected to start car production in 1996.

The shipbuilding and petrochemical industries, which suffered losses a few years ago due to surplus capacity, are expanding production facilities in anticipation of increased world demand.

However, the OECD recently warned that a plan by Korea's three main shipbuilders, Hyundai, Daewoo and Samsung, to expand their shipbuilding yards by 50 per cent could cause a glut in the global industry and lead to a price-cutting war with Japan and other nations.

Although the production increase has received the approval of the state, the chaebol are clashing with the government over plans to expand their sprawling industrial empires into new sectors.

The administration of President Kim Young-sam has adopted a policy of forcing the chaebol to concentrate on a few of their existing activities, in an attempt to reduce their economic dominance and prevent them from spreading their resources too thinly. The government, for example, recently proposed that the chaebol should cut their stakes in non-group companies to 25 per cent or less by 1998.

The chaebol argue that they must diversify into new industries that offer high-growth potential. "Korean companies should concentrate on specialised or niche industries, but without government guidance on what areas they should pick," said Mr Lee Hahn-koo, president of the Daewoo Economic Research Institute, which is affiliated with Korea's fourth-biggest chaebol.

Samsung and Hyundai are challenging the government on this issue. Samsung wants to enter the car passenger industry by 1997 through a technical joint venture with Nissan of Japan. "We need car production to maintain our position as a leading producer in the machinery industry," said one executive with Samsung Heavy Industry. The government is threatening to reject Samsung's licence with Nissan in an attempt to block the project.

Hyundai recently said it planned to build a large plant to produce cold- and hot-rolled steel. "The project makes sense from Hyundai's perspective since it would contribute to its integrated industrial strategy. Hyundai is the largest consumer of steel in Korea and having its own source of steel would lower production costs for its car and ships," said Mr Keith Nam, head of research at HG Asia Securities in Seoul.

Although Korean industry is expressing few qualms about the sudden burst in capacity leading to excess production, companies in the car and steel industries are using this argument to support the government efforts to stop the Samsung and Hyundai projects. They fear the entry of new competitors will undercut their market share.

For example, state-controlled Pohang Iron and Steel, Korea's largest steelmaker, would lose its biggest customer if Hyundai proceeds with its plans. It recently announced an expansion of its steel production in an attempt to squeeze out Hyundai and maintain its monopoly on cold and hot-rolled steel.

Korean industries: 1993 production performance

Industry	Global ranking	Share global production (%)
Electronics	6	5.2
Motors	6	4.3
Steel	6	4.6
Petrochemicals	5	4.0
Shipbuilding*	1	39.0
Textiles	5	4.7

*In terms of orders, which have fallen to second this year with an estimated 16% share

Source : Korea Development Bank

Adnan Khashoggi: holdings worth more than Bt3bn

Brokers say Khashoggi is buying Thai stakes

By Victor Mallet
in Bangkok

Mr Adnan Khashoggi, the Saudi businessman and arms dealer, is involved in negotiations to buy stakes worth more than Bt3bn ($120m) in three listed Thai companies, according to company announcements and stockbrokers in Bangkok.

The Stock Exchange of Thailand has suspended trading of shares in the three companies while the deals are negotiated. The companies are Jalaprathan Cement, Semiconductor Ventures International (SVI) and Morakot Industries, which produces and distributes palm oil.

None of the companies is regarded as a blue chip investment and there has been no immediate comment from the Paris-based Mr Khashoggi on his intentions. Brokers say the deals are being negotiated by Mr Rakesh Saxena, a corporate financier and adviser to Bangkok Bank of Commerce.

SVI, an electronic components manufacturer, said large shareholders had signed a memorandum of understanding to sell Mr Khashoggi 40 per cent of the company by September 23 in a deal worth Bt640m.

Jalaprathan said its main shareholders planned to sell a quarter of the company's shares to foreign buyers – said by brokers to be Mr Khashoggi and his associates – by the same date. At the market price that stake would be worth Bt1.56bn.

Morakot released no details of the sale of its stock, but brokers said 47 per cent of the company, a stake worth Bt1.13bn, was being offered to Mr Khashoggi.

Dairy Farm to cancel HK listing

By Louise Lucas in Hong Kong

Dairy Farm International, the food retailing arm of Hong Kong's Jardine Matheson group, yesterday said it would follow Jardine Matheson and withdraw its secondary listing from the Hong Kong stock exchange from March 31 of next year.

The decision, widely anticipated, accompanied a disappointing set of interim results. First-half net profit grew 59 per cent, to US$108.4m from US$68.1m in the same period last year. But this was almost wholly reliant on a US$41.8m exceptional item from the sale of a factory site in Hong Kong by its joint venture with Nestlé, the Swiss foods group.

Turnover rose 11 per cent to US$2.6bn from US$2.4bn, partially lifted by a 2 per cent movement in exchange rates.

Mr Simon Keswick, chairman, pointed to severe competition and noted: "While the overall result for the year will be enhanced by the exceptional gain recorded in the first half, the operating profit is likely to remain at a similar level to 1993".

The interim operating profit was US$63.8m, an increase of 3.7 per cent on last year's US$61.5m.

Pre-tax and interest earnings from Asia swelled 17 per cent to US$38m, with Taiwan making its first significant contribution, according to analysts. The group is shortly expected to disclose further ventures in Asian markets, including Indonesia.

Earnings from Australasia fell 10 per cent, mainly due to increased operating costs for extended trading hours and start-up costs of the fresh food chain which will complement Franklins.

In New Zealand, Woolworths maintained market share but suffered from the industry-wide erosion in margins caused by strong competition.

Simago, the Spanish operation, continued as Dairy Farm's biggest bugbear. Continued losses from Simago held back European operations which chalked up a loss of US$7.8m, marginally less than last year's US$8.3m.

Earnings per share before the exceptional item were unchanged at 4 US cents; including the exceptional gain earnings per share rose 50 per cent to 5.99 US cents.

Directors are proposing a 1.65 US cent dividend, a 6 per cent improvement over the 1.55 US cents paid out last year.

Strong first half for Indosuez

By Alice Rawsthorn
in Paris

Banque Indosuez, the French investment bank and subsidiary of the Suez holding company, yesterday announced net profits of FFr412m ($76.86m) for the first six months of this year, a 24 per cent increase over half of its total net profits for last year, when interim results were not announced.

Mr Gérard Worms, chairman of Indosuez and Suez, described the interim results as good given that Indosuez, like other French banks, had "not had an easy year in the markets, particularly in the bond markets".

Indosuez had net banking income of FFr6.42bn in the first six months of 1994 against FFr6.59bn, which represents half its 1993 net banking income. Gross operating profits were FFr1.89bn in the interim period, compared with FFr2.19bn for half of 1993.

The bank had a tough time in 1993 when it was forced to make heavy provisions on its exposure to the weak French property market and on corporate loans, following a steep increase in business failures. These problems have eased and the level of provisions is expected to fall this year. It was set at FFr632m for the first half, against FFr1.31bn for half of 1993.

However, Indosuez – which, like many French banks, benefited from windfall trading profits during last year's European currency crises – did not fare so well in its market trading activities during the first half. Income from trading in equity, interest rate and currency markets was down in the interim period.

Conversely, the bank fared well in its US capital market activities and in Asian investment banking. Indosuez yesterday said it planned to extend its presence in China after receiving permission to open a branch in Guangzhou. It has a branch in Shanghai and offices in Beijing and Shenzhen.

The Guangzhou opening forms part of the general expansion of the Suez group's Asian interests following the recent sale of a large part of Victoire, the French insurance company, to Commercial Union of the UK.

Kellogg tackles Indian food habits

By Naazneen Karmali
in Bombay

Kellogg, the US cereals company, yesterday launched a campaign to change breakfast habits in India as its products appeared in Bombay shops.

The company, which has built a $20m factory at Taloja, near Bombay, described the move as "the largest venture that Kellogg has ever entered". It first set up a liaison office in New Delhi in 1986, and under the government's liberalisation measures the company has since established a 100 per cent-owned subsidiary in India.

Kellogg is targeting some 150m middle-class consumers in a country where breakfast traditionally consists of hot, savoury local food and where cereal breakfasts are virtually unknown.

Kellogg executives said the company was committed to spending $60m over two years in India, and hoped to export to south-east Asian markets.

Ingredients were being sourced locally, said Mrs Damidra Dias, Kellogg India's finance director, who added that the company had been involving farmers in Punjab, Andhra Pradesh and Madhya Pradesh.

The cereals will gradually be introduced to other cities and the range expanded.

Hellenic Bottling rises 41% to Dr13bn

By Karin Hope in Athens

Hellenic Bottling Company, the Coca-Cola franchise holder for Greece, Bulgaria and Northern Ireland, reported a 40.9 per cent rise in pre-tax profits to Dr12.8bn ($52m) for the first half, helped by a strong performance by its fruit juice division.

Turnover rose 24.5 per cent in the same period to Dr68.1bn.

HBC, part of the Cypriot-owned Leventis group which holds the Coca-Cola franchises for Nigeria and Northern Ireland, said first-half income generated outside Greece amounted to Dr1.1bn.

The company said sales volume in Greece showed healthy growth, in spite of increased competition in soft drinks and juices.

HBC has a 65 per cent share of Greece's soft drinks market and about 40 per cent of the fruit juice market, where its Amita brand has maintained its position in spite of the arrival of a wide variety of refrigerated juices.

In Bulgaria, where HBC controls five joint ventures with local soft drinks bottlers, sales of Coca-Cola products rose 40 per cent while pre-tax profits were up 163 per cent.

HBC said its strong performance in Bulgaria resulted from the launch of Sprite and Fanta and improvements in distribution.

INTERNATIONAL CAPITAL MARKETS

US Treasuries improve on better inflation data

By Frank McGurty in New York and Antonia Sharpe and Martin Brice in London

US Treasury bonds improved yesterday morning on a regional economic report which suggested the market may have over-reacted to August inflation data.

By midday, the benchmark 30-year government bond was ⅜ better at 98¼, with the yield slipping to 7.643 per cent. At the short end, the two-year note was up $\frac{1}{32}$ at 100$\frac{1}{32}$, to yield 6.248 per cent.

After trading slightly higher in the previous afternoon, bonds across the board continued to show slow but steady progress in the early hours.

The market appeared to be pulling out of the slump triggered at the end of last week, when the Labor Department revealed a surprisingly sharp upturn in producer prices.

Yesterday, the news on inflation was decidedly different. The Federal Reserve Bank of Philadelphia, in its monthly survey of business conditions in the area, revealed an unexpected drop in the index designed to gauge whether manufacturers were paying higher or lower prices for raw materials. The index measuring prices received for finished goods also tumbled.

The trend was especially welcome because such surveys are viewed as reliable leading indicators, in contrast with the producer and consumer price indices, which look back at the previous month's inflation levels.

The commodity markets also provided positive reinforcement, as prices for many goods slumped during the morning.

Amid these favourable developments, the market was able to ignore the marginally troublesome announcement that initial claims for unemployment benefit had declined by 3,000 last week.

As the afternoon commenced, traders were beginning to turn their attention to today's figures on industrial production and capacity utilisation.

The data should provide additional clues on the direction of the economy over the coming month.

Activity was limited, with many traders sidelined in observance of Yom Kippur, the Jewish day of atonement.

■ European government bond markets rallied late in the afternoon on the back of stronger US Treasuries, which caused dealers to cover their short positions. However, little genuine buying was detected.

GOVERNMENT BONDS

■ German government bonds were supported by the widely-expected decision by the Bundesbank to leave its discount and Lombard rates unchanged after its regular meeting. It also decided to keep the repo rate fixed at 4.85 per cent for the next two weeks. On Liffe, the December bund future rose 0.60 points to 89.24 while in the cash market, yields on 10-year bunds fell 11 basis points to 7½ per cent.

"If the Bundesbank had cut rates the bund market would have collapsed because it would not have made sense in domestic or international terms," said Mr Stephen Hannah, head of research at IBJ International.

In his view, bunds were still too optimistic about German rates next year even after their recent fall. "We are expecting rates to be 50 basis points higher than the levels which have been priced into the market," Mr Hannah said.

Analysts said the tone of the market remained fragile and yields on 10-year bunds could move up to 7¾ per cent if next week's spate of data was above expectations. German M3 for August is due on Monday while regional cost of living figures are expected to emerge during the course of next week.

The market is also gearing up to an auction of bunds by the Bundesbank next week. The new paper is likely to have a 10-year maturity though there is an outside chance that the Bundesbank will go for a 30-year term.

■ UK gilts moved ahead by almost a point, buoyed up by rises in overseas bond markets and the removal of stock which had been hanging over the market.

Two tranches of conventional gilts were exhausted in the morning, which gave the market confidence to move ahead, said Mr Robert Thomas at NetWest Markets. He said that a near-term rally was likely because yields were now near the 9 per cent level. "In the past, this has enticed people back into the market," he said.

The market faces two important events today. In the morning the August PSBR figures are due and a gilt auction announcement is expected in the afternoon. Some analysts expect the Bank of England to create a new 10-year benchmark gilt.

The market shrugged off a larger than expected 0.3 per cent fall in August retail sales, and Mr Michael Pratten at Kidder Peabody put this reaction down to the market's continued preoccupation with inflation and what it was likely to do over the coming year.

The yield spread between gilts and bunds narrowed from around 150 basis points on Wednesday to around 144 yesterday. On Liffe, the December long gilt future was at 99$\frac{21}{32}$ in late trading, up $\frac{26}{32}$ on the day.

■ Stories of hedge fund buying added to the positive tone in the Italian government bond market, where the auctions of three-year and five-year Treasury notes were oversubscribed. On Liffe, the December Italian government bond future rose 1.24 points to 97.93.

Spanish government bonds were lifted by news that the government might relax the tax law for domestic bondholders. The yield on the 10-year government bond fell 31 basis points to 11.14 per cent.

Liffe concedes defeat in battle of German Bobl

By Tracy Corrigan

Liffe has conceded defeat in one of its battles with Germany's Deutsche Terminbörse for dominance of the market in German interest rate products.

The London-based exchange has delisted its future on medium-term German government bonds, known as the Bobl future, which was not traded in July and traded only 53 contracts in the whole of August. The exchange sent a notice to members on September 7.

The DTB has a rival Bobl contract, which recorded an average daily volume of 16,800 contracts in August.

However, Liffe still dominates trading in the two most important German interest rate futures, the bund (long-term bond) and Euromark (short-term interest rate) contracts. It currently trades around 115,000 bund contracts and 93,000 Euromark contracts daily, representing market shares of 70 per cent and 98 per cent respectively.

According to a Liffe official, the Bobl contract appealed more to domestic than international investors.

However, the DTB said its success in the Bobl contract was largely due to having launched the contract first, in October 1991. Liffe did not introduce its Bobl contract until January 1993, by which time the DTB contract was already established.

Competition between the two exchanges is unlikely to abate, however, as the Deutsche Terminbörse is seeking to attract more international participants through its linkage with France's Matif.

Asset-backed offerings in Canadian dollars and lire

By Graham Bowley and Martin Brice

Two asset-backed offerings were launched in the eurobond market yesterday in an otherwise quiet session which saw a number of small-sized issues mainly targeted at European retail investors.

European Sovereign Investments, a bond-arbitrage company based in Luxembourg which issues bonds backed by a pool of European government bonds, launched its debut offering in the Canadian dollar sector, with a C$125m issue of bonds due January 1998.

The issue was priced to yield 32 basis points over Canadian government three-year paper and found demand from institutional investors in the UK and Belgium and from retail investors, primarily in Switzerland and the Benelux region, lead manager Wood Gundy said. The spread widened slightly to 34 basis points after the syndicate broke.

INTERNATIONAL BONDS

In the lira sector, US Guaranteed Finance Corporation, a special-purpose vehicle which issues bonds backed by the US Export and Import Bank, launched a L350bn offering of 12-year floating-rate notes. This is the first such non-US dollar offering and the longest-dated eurolira bond ever issued, according to joint lead manager Citibank.

Also in the lira sector, Peugeot Finance International tapped the shorter end of the sector with a L150bn offering of three-year bonds with a coupon of 12 per cent. Demand for the paper came from Italian institutional and retail investors and investors in France, Switzerland and the Benelux countries, lead manager Credito Italiano said.

JP Morgan is arranging a debut eurobond for San Miguel, the Philippines brewing and food company and the country's largest manufacturing enterprise.

The US$100m, fixed-rate offering will have a maturity of 5¼ years and a semi-annual coupon. It is expected to come to market in the week beginning September 26, after JP Morgan has completed a series of representations to key investors.

JP Morgan said the bonds would be priced to give a lower yield than Philippine government five-year eurobonds, which trade at about 200 basis points over US Treasuries. The unusual maturity is due to Philippine central bank regulations, JP Morgan said.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book runner
FRENCH FRANCS							
Swedish Export Credit(a)	500	7.00	99.93R	Apr.1998	undiscl.	-	Banque Paribas
CANADIAN DOLLARS							
European Sovereign Inva.(a)	125	8.25	99.75R	Jan.1998	0.25R	-	Wood Gundy
ITALIAN LIRE							
US Guaranteed Fin. Corp‡	350bn	(b)	100.0R	Jun.2006	0.25R	-	BCI/Deutsche Bank
Peugeot Finance Intl.	150bn	12	101.495	Nov.1997	1.370	-	Credito Italiano
SWISS FRANCS							
Bk. Nederlandse Gemeenten	100	5.25	102.15	Nov.1997	-	-	Credit Suisse

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. ✶Unlisted. §Convertible. ¢With equity warrants. ‡Floating rate note. #Semi-annual coupon. R: fixed re-offer price; fees are shown at the re-offer level. a) Short first coupon. b) 3-month Libor + 10bp.

Partial privatisation for Slovenian textile factory

Beti Metlika, a Slovenian textile factory, expects to start its privatisation in November, said Mr Miroslav Stimac, its chief executive, Reuter reports from Ljubljana.

The factory, which is estimated to be worth about DM33m, will sell about 30 per cent of its shares to employees and 30 per cent to other Slovenian citizens.

The remaining 40 per cent of the shares will be transferred to state-run funds.

Beti Metlika is still in 100 per cent social ownership and the privatisation process has been held up by resolving allocations of shares to people whose property was nationalised after the second world war. It has now been decided that they will receive between 2 and 3 per cent of the shares.

Beti will send its privatisation proposal to the Slovenian Privatisation Agency at the end of this month.

The company exports 80 per cent of its production, mainly to Germany, Austria, Italy, Netherlands, France and Sweden and makes clothes, underwear and swimsuits.

Turnover rose to T5.14bn ($43m) in 1993 from T4.96bn in 1992 and pre-tax profits to T148.1m from T3.7m a year earlier.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		9.000	09/04	93.1800	+0.590	10.10	9.68	9.26
Belgium		7.250	04/04	91.3800	+0.480	8.59	8.59	8.38
Canada *		6.500	06/04	85.3500	+0.250	8.77	8.94	8.98
Denmark		7.000	12/04	88.1500	+0.450	9.13	9.09	9.00
France	BTAN	8.000	05/98	101.8250	+0.130	7.48	7.33	7.31
	OAT	5.500	04/04	83.4800	+0.440	8.03	7.98	7.85
Germany Bund		6.750	07/04	94.8800	+0.700	7.50	7.45	7.21
Italy		8.500	04/04	81.0000	+0.500	11.88†	12.02	11.72
Japan	No 119	4.800	06/99	103.6160	-	3.90	3.96	3.99
		4.100	12/03	97.1310	-	4.54	4.66	4.62
Netherlands		5.750	01/04	88.8700	+0.640	7.44	7.42	7.22
Spain		8.000	05/04	81.6500	+1.450	11.18	11.22	11.17
UK Gilts		6.000	08/99	89-29	+10/32	8.56	8.31	8.41
		6.750	11/04	86-19	+26/32	8.76	8.68	8.67
		9.000	10/08	102-02	+29/32	8.74	8.58	8.66
US Treasury *		7.250	08/04	99-08	+14/32	7.30	7.28	7.25
		7.500	11/24	98-09	+15/32	7.65	7.55	7.46
ECU (French Govt)		8.000	04/04	83.1700	+0.180	8.54	8.52	8.42

London closing, *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

US INTEREST RATES

Lunchtime		Treasury Bills and Bond Yields			
		One month	4.62	Two year	6.28
Prime rate	7¾	Two month	4.69	Three year	6.57
Broker loan rate	6½	Three month	4.88	Five year	6.98
Fed.funds	4⅞	Six month	5.18	10-year	7.37
Fed.funds at intervention	4¾	One year	5.62	30-year	7.66

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	112.04	112.22	+0.26	112.28	111.92	86,454	64,902
Dec	111.04	111.24	+0.28	111.30	110.92	109,113	110,473
Mar	110.36	110.54	+0.26	110.44	110.36	278	4,726

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS Oct	CALLS Dec	CALLS Mar	PUTS Oct	PUTS Dec	PUTS Mar
111	0.77	1.61	1.90	0.58	1.43	2.44
112	0.36	1.10	1.43	1.14	1.90	-
113	0.12	0.67	-	-	2.47	-
114	0.04	0.43	-	-	3.15	-
115	-	0.24	-	-	3.97	-

Est. vol. total, Calls 29,621 Puts 38,158 . Previous day's open int., Calls 203,766 Puts 290,593.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	88.77	89.32	+0.68	89.35	88.73	95657	143068
Mar	88.14	88.53	+0.69	88.14	88.14	1	1095

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Oct	CALLS Nov	CALLS Dec	CALLS Mar	PUTS Oct	PUTS Nov	PUTS Dec	PUTS Mar
8900	0.63	1.12	1.36	1.47	0.31	0.80	1.04	1.94
8950	0.35	0.85	1.09	1.23	0.53	1.03	1.27	2.20
9000	0.16	0.62	0.85	1.02	0.84	1.30	1.53	2.49

Est. vol. total, Calls 11627 Puts 4410. Previous day's open int., Calls 181770 Puts 181208

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	96.85	98.02	+1.33	98.10	96.83	47906	61869
Mar	-	97.37	+1.36	-	-	0	640

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Dec	CALLS Mar	PUTS Dec	PUTS Mar
9800	2.30	2.26	2.26	2.89
9850	2.04	2.04	2.52	3.17
9900	1.80	1.84	2.78	3.47

Est. vol. total, Calls 433 Puts 2100. Previous day's open int., Calls 9870 Puts 12343

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	86.02	87.27	+1.52	87.40	85.90	56,811	76,335
Dec	84.60	85.85	+1.54	85.90	84.55	15,418	51,465

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	99-30	100-11	+0-26	100-09	99-22	288	20625
Dec	98-30	99-21	+0-26	99-27	98-27	84966	100256
Mar	-	99-01	+0-26	-	-	0	0

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Dec	CALLS Mar	PUTS Dec	PUTS Mar
99	2-19	2-60	1-41	2-58
100	1-50	2-25	2-08	3-24
101	1-20	2-00	2-42	3-62

Est. vol. total, Calls 6054 Puts 3378. Previous day's open int., Calls 32658 Puts 29174

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	80.02	80.28	+0.16	80.28	80.02	1,572	3,293
Dec	79.70	79.78	+0.14	79.78	79.64	638	8,320

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Sep	101-06	101-09	+0-02	101-10	101-07	11,457	88,992
Dec	100-12	100-13	+0-02	100-15	100-10	248,729	349,526
Mar	99-22	99-22	-	99-22	99-22	265	8,760

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Dec	108.00	-	-	108.02	107.90	318	0

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Thu Sep 15	Day's change %	Wed Sep 14	Accrued interest	xd adj. ytd		Low coupon yield Sep 15	Low coupon yield Sep 14	Low coupon yield Yr. ago	Medium coupon yield Sep 15	Medium coupon yield Sep 14	Medium coupon yield Yr. ago	High coupon yield Sep 15	High coupon yield Sep 14	High coupon yield Yr. ago
1 Up to 5 years (24)	118.67	+0.23	119.40	1.78	8.01	5 yrs	8.68	8.79	6.38	8.74	8.84	6.67	8.87	8.98	6.85
2 5-15 years (21)	137.55	+0.85	136.66	1.68	9.60	15 yrs	8.65	8.75	7.23	8.79	8.89	7.34	9.02	9.11	7.57
3 Over 15 years (9)	153.51	+0.90	152.13	1.37	9.81	20 yrs	8.58	8.67	7.33	8.79	8.89	7.39	8.85	8.94	7.58
4 Irredeemables (6)	175.15	+0.60	174.10	2.82	8.83	Irred.†	8.67	8.73	7.44						
5 All stocks (60)	135.45	+0.55	134.71	1.70	9.15										

Index-linked	Thu Sep 15	Day's change %	Wed Sep 14	Accrued interest	xd adj. ytd		Inflation 5% Sep 15	Inflation 5% Sep 14	Inflation 5% Yr. ago	Inflation 10% Sep 15	Inflation 10% Sep 14	Inflation 10% Yr. ago
6 Up to 5 years (2)	185.53	+0.16	185.20	0.87	3.95	Up to 5 yrs	3.91	3.98	2.59	2.72	2.78	1.74
7 Over 5 years (11)	171.92	+0.69	170.75	0.56	3.95	Over 5 yrs	3.87	3.92	3.21	3.67	3.72	3.02
8 All stocks (13)	172.45	+0.63	171.36	0.59	3.94							

Debentures and Loans	Thu Sep 15	Day's change %	Wed Sep 14	Accrued interest	xd adj. ytd	5 year yield Sep 15	5 year yield Sep 14	5 year yield Yr. ago	15 year yield Sep 15	15 year yield Sep 14	15 year yield Yr. ago	25 year yield Sep 15	25 year yield Sep 14	25 year yield Yr. ago
9 Debs & Loans (76)	126.86	+0.79	125.87	2.38	7.84	9.79	9.88	7.88	9.72	9.80	8.23	9.64	9.72	8.35

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Sep 15	Sep 14	Sep 13	Sep 12	Sep 9	Yr ago	High*	Low*
Govt. Secs. (UK)	90.76	90.44	91.00	91.12†	90.84	101.33	107.04	90.44
Fixed Interest	107.31	107.83	108.02	107.87	108.18	123.07	133.87	107.31

* for 1994. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 133.87 (21/1/94) , low 50.53 (3/1/75) . Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974. † Correction.

GILT EDGED ACTIVITY INDICES

	Sep 14	Sep 13	Sep 12	Sep 9	Sep 8
Gilt Edged bargains	83.7	111.5	86.0	111.7	100.7
5-day average	99.2	98.3	93.1	93.9	95.8

UK GILTS PRICES

Notes	Yield Int	Yield Red	Price £	+ or -	1994 High	1994 Low
Shorts" (Lives up to Five Years)						
Treas 9pc 1994‡‡	8.85	5.46	100$\frac{13}{32}$	—	103$\frac{13}{32}$	100$\frac{13}{32}$
12pc 1995	11.74	5.72	102$\frac{7}{32}$	—	107$\frac{3}{16}$	102$\frac{7}{32}$
Exch 3pc Gas 1990-95	3.05	5.74	98$\frac{9}{32}$	-$\frac{1}{16}$	98$\frac{7}{8}$	97¼
10¼pc 1995	9.95	8.50	100	—	107$\frac{13}{32}$	100
Treas 12¾pc 1995‡‡	11.99	6.97	106$\frac{5}{16}$	—	113⅝	106$\frac{5}{16}$
14pc 1996	12.90	7.19	108½	—	117$\frac{7}{8}$	102½
15¼pc 1996‡‡	13.86	7.46	111$\frac{13}{16}$	—	121$\frac{13}{16}$	111$\frac{13}{16}$
Exch 13¼pc 1996‡‡	12.18	7.51	108¾	—	117$\frac{13}{16}$	108¾
Conversion 10pc 1996	9.80	7.82	104⅛	—	112$\frac{7}{32}$	104⅛
Treas Cnv 7pc 1997‡‡	7.19	7.95	97$\frac{13}{32}$	+$\frac{1}{16}$	100⅝	97$\frac{7}{8}$
Treas 13¼pc 1997‡‡	11.84	7.95	111	+$\frac{1}{16}$	121$\frac{13}{16}$	110$\frac{13}{16}$
Exch 10½pc 1997	9.98	8.03	105¼	+⅛	114$\frac{7}{8}$	104⅛
Treas 8¾pc 1997‡‡	8.64	8.22	101$\frac{5}{16}$	+⅛	110$\frac{7}{8}$	101$\frac{1}{8}$
Exch 15pc 1997	12.74	8.38	117$\frac{13}{16}$	+$\frac{1}{16}$	131$\frac{13}{16}$	111½
9¾pc 1998	9.41	8.42	103$\frac{21}{32}$	+$\frac{1}{16}$	114$\frac{13}{16}$	103$\frac{13}{16}$
Treas 7¼pc 1998‡‡	7.52	8.41	96$\frac{13}{32}$xd	+$\frac{1}{16}$	108$\frac{1}{32}$	96$\frac{3}{8}$
Treas 6¾pc 1995-98‡‡	7.13	8.46	94$\frac{21}{32}$	+¼	102	94$\frac{13}{32}$
14pc 1998-1	12.02	8.64	116½	+$\frac{13}{32}$	131$\frac{1}{32}$	116$\frac{1}{8}$
Treas 15½pc 1998‡‡	12.55	8.50	123$\frac{13}{16}$xd	+$\frac{1}{16}$	140$\frac{3}{16}$	123$\frac{1}{8}$
Exch 12pc 1998	10.77	8.63	111$\frac{13}{32}$	+$\frac{13}{32}$	125$\frac{13}{16}$	111$\frac{1}{16}$
Treas 9½pc 1999‡‡	8.73	8.62	102$\frac{13}{16}$	+$\frac{13}{32}$	116$\frac{5}{32}$	102⅞
Five to Fifteen Years						
Exch 12¼pc 1999	10.85	8.73	112$\frac{29}{32}$xd	+$\frac{13}{32}$	128$\frac{1}{32}$	112$\frac{13}{16}$
Treas 10½pc 1999	9.83	8.85	106$\frac{13}{16}$	+$\frac{13}{32}$	121$\frac{1}{32}$	106$\frac{1}{8}$
Treas 8pc 1999‡‡	8.68	8.59	99$\frac{7}{8}$	+½	101$\frac{13}{16}$	99$\frac{13}{16}$
Conversion 10¼pc 1999	9.67	8.75	106	+$\frac{1}{32}$	121$\frac{13}{16}$	105$\frac{1}{8}$
Treas Flg Rate 1999	-	-	99$\frac{13}{16}$	—	100$\frac{1}{16}$	99$\frac{13}{16}$
8pc 2000‡‡	8.97	8.75	101$\frac{1}{16}$	+$\frac{13}{32}$	116$\frac{5}{8}$	100$\frac{1}{8}$
Treas 13pc 2000	11.01	8.93	118$\frac{1}{16}$	+½	136$\frac{13}{16}$	117$\frac{1}{8}$
10pc 2001	9.52	9.04	105	+$\frac{13}{32}$	122$\frac{1}{8}$	104$\frac{13}{16}$
7pc 2001‡‡	7.75	8.82	90$\frac{1}{8}$	+½	106$\frac{1}{8}$	89$\frac{7}{8}$
7pc 2001 A	7.75	8.83	90$\frac{13}{16}$	+½	101$\frac{1}{16}$	89$\frac{13}{16}$
9¾pc 2002	9.35	9.00	104$\frac{5}{8}$	+$\frac{13}{32}$	123$\frac{1}{8}$	103$\frac{7}{8}$
8pc 2003‡‡	8.45	8.89	94$\frac{1}{8}$	+½	113$\frac{13}{16}$	94$\frac{1}{8}$
10pc 2003	9.41	8.94	106$\frac{1}{8}$	+⅝	127$\frac{1}{8}$	105$\frac{13}{16}$
Treas 11½pc 2001-4	10.33	9.15	111$\frac{3}{8}$xd	+$\frac{13}{32}$	129$\frac{13}{16}$	110¼
Funding 3½pc 1999-4	4.92	7.73	71$\frac{1}{16}$	+$\frac{13}{32}$	88$\frac{3}{8}$	70⅝
Conversion 9½pc 2004	9.15	8.91	103$\frac{13}{16}$	+$\frac{13}{32}$	125$\frac{1}{16}$	102$\frac{13}{16}$
Treas 6¾pc 2004‡‡	7.80	8.75	86$\frac{3}{8}$	+$\frac{13}{32}$	106¼	85$\frac{13}{16}$
Conv 9½pc 2005	9.13	8.89	104$\frac{3}{8}$xd	+$\frac{13}{32}$	125½	103$\frac{1}{8}$
Treas 12½pc 2003-5	10.41	9.30	120$\frac{1}{8}$	+⅛	143$\frac{1}{16}$	118$\frac{1}{2}$
7¾pc 2006‡‡	8.40	8.79	92$\frac{3}{16}$	+$\frac{13}{32}$	112$\frac{13}{16}$	91½
8pc 2002-6‡‡	8.55	8.88	93$\frac{13}{16}$xd	+$\frac{13}{32}$	111⅞	92$\frac{13}{16}$
Treas 11¾pc 2003-7	10.27	9.21	114⅜	+$\frac{13}{32}$	136$\frac{1}{8}$	113⅝
Treas 8½pc 2007‡‡	8.69	8.77	97$\frac{13}{16}$	+$\frac{13}{32}$	119$\frac{7}{8}$	96$\frac{13}{16}$
13½pc 2004-8	10.64	9.20	126$\frac{13}{16}$xd	+$\frac{13}{32}$	151$\frac{1}{8}$	125¼
Treas 9pc 2008‡‡	8.82	8.74	102xd	+$\frac{13}{32}$	124$\frac{13}{16}$	101
Over Fifteen Years						
Treas 8pc 2009	8.52	8.73	93$\frac{13}{16}$xd	+$\frac{13}{32}$	115$\frac{1}{8}$	93
Treas 6¼pc 2010	7.83	8.56	79$\frac{13}{16}$	+$\frac{13}{32}$	98$\frac{1}{32}$	78$\frac{3}{4}$
Conv 9pc Ln 2011‡‡	8.75	8.67	102$\frac{13}{16}$	+$\frac{7}{8}$	126$\frac{13}{16}$	101$\frac{1}{32}$
Treas 9pc 2012‡‡	8.74	8.68	103	+⅞	127⅞	101$\frac{1}{16}$
Treas 5½pc 2008-12‡‡	7.51	8.41	73$\frac{1}{16}$	+⅞	93⅝	72$\frac{1}{8}$
Treas 8pc 2013‡‡	8.48	8.61	94$\frac{1}{16}$xd	+$\frac{13}{32}$	117$\frac{13}{16}$	92$\frac{3}{8}$
7¾pc 2012-15‡‡	8.43	8.58	91$\frac{13}{16}$	+$\frac{13}{32}$	114¼	91$\frac{1}{16}$
Treas 8¾pc 2017‡‡	8.61	8.58	101$\frac{13}{16}$	+$\frac{13}{32}$	123¾	99$\frac{13}{16}$
Exch 12pc 2013-17	9.28	8.81	129¼	+1⅛	158½	127⅞
Undated						
Consols 4pc	8.85	-	45$\frac{1}{16}$	+⅛	58¾	44$\frac{13}{16}$
War Loan 3½pc‡‡	8.60	-	40$\frac{13}{16}$	+⅛	54$\frac{13}{16}$	39$\frac{7}{8}$
Conv 3½pc '61 Aft	6.22	-	56¼xd	—	71	55¼
Treas 3pc '66 Aft	8.82	-	34xd	-½	44⅝	33⅝
Consols 2½pc	8.68	-	28$\frac{13}{16}$xd	-⅛	38½	28$\frac{1}{8}$
Treas. 2½pc	8.89	-	28$\frac{1}{8}$xd	-⅛	37⅛	27$\frac{13}{16}$

Notes	Yield (1)	Yield (2)	Price £	+ or -	1994 High	1994 Low
Index-Linked (b)						
2pc '96 (67.9)	2.65	4.06	195$\frac{13}{16}$xd	+⅛	203⅝	197$\frac{13}{16}$
4⅝pc '98‡‡ (135.6)	2.79	3.85	106$\frac{13}{16}$	+⅛	113$\frac{1}{2}$	106$\frac{1}{8}$
2½pc '01 (78.3)	3.38	3.83	164⅞xd	+$\frac{13}{16}$	176⅞	163½
2½pc '03 (78.8)	3.49	3.85	160¼	+$\frac{13}{16}$	173⅝	159$\frac{1}{8}$
4⅜pc '04‡‡ (135.6)	3.50	3.84	108¼xd	+$\frac{13}{16}$	118⅜	107⅛
2pc '06 (69.5)	3.57	3.84	167$\frac{1}{16}$	+$\frac{13}{16}$	184$\frac{13}{16}$	165$\frac{1}{8}$
2½pc '09 (78.8)	3.61	3.85	151⅛	+1	166$\frac{1}{16}$	149⅛
2½pc '11 (74.6)	3.64	3.85	156¾	+1	175⅝	154⅛
2½pc '13 (89.2)	3.67	3.86	128⅝	+1	145⅛	125⅛
2½pc '16 (81.6)	3.70	3.88	137$\frac{3}{16}$	+1	157$\frac{3}{8}$	134⅛
2½pc '20 (83.0)	3.74	3.89	131¼xd	+1	152$\frac{13}{16}$	128½
2½pc '24‡‡ (97.7)	3.73	3.97	109$\frac{1}{16}$	+1	129$\frac{1}{16}$	106⅛
4⅛pc '30‡‡ (135.1)	3.75	3.91	108$\frac{1}{8}$	+1	129$\frac{13}{16}$	105⅞

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for January 1994: 141.3 and for August 1994: 144.7.

Other Fixed Interest

Notes	Yield Int	Yield Red	Price £	+ or -	1994 High	1994 Low
African Dev 11¼ 2010	9.50	9.02	117⅛	—	142$\frac{1}{8}$	115$\frac{13}{16}$
Asian Dev 10¼pc 2009	9.32	8.99	110$\frac{1}{8}$	—	139⅞	108$\frac{13}{16}$
B'ham 11½pc 2012	9.87	9.58	116½	—	142	115
Ireland Cap 8½pc '10	9.09	-	93½	—	116½	93½
9pc Cap 1996	9.01	-	99⅞	—	103⅝	99⅞
13pc '97-2	12.22	-	106⅞	—	115⅛	106⅛
Hydro Quebec 15pc 2011	10.63	9.90	141$\frac{1}{16}$	—	159$\frac{13}{16}$	139$\frac{13}{16}$
Leeds 13½pc 2006	10.67	-	126½	—	149⅝	125½
Liverpool 3½pc Irred	9.59	-	36½	—	44⅛	33⅝
LCC 3pc '20 Aft	9.23	-	32	—	40½	28⅛
Manchester 11½pc 2007	10.13	9.70	113½	—	136⅝	112
Met. Wtr. 3pc 'B'	4.44	8.30	67½	—	78	66½
N'wide Anglia 3⅞pc 2021	-	4.52	131½	—	150⅝	129⅝
4⅛pc IL 2024	-	4.53	126⅝	—	145¼	122⅞
Utd Mex States 16½pc 2008	12.15	-	138	—	159½	134⅝

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:00 pm on September 15

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 00	1000	90⅞	91¼	+¼	7.59
Alberta Province 7⅜ 96	1000	101⅛	101⅜	+⅛	7.26
Austria 8½ 00	400	104⅝	105	+¼	7.41
Bank of Tokyo 8⅜ 96	100	102⅛	102⅝		6.83
Belgium 5½ 03	1000	84½	84¾	+⅛	7.95
BFCE 7¾ 97	150	101⅞	102⅜	+⅛	6.87
British Gas 0 21	1500	10⅝	10⅞		8.71
Canada 9 96	1000	103½	103¾	+⅛	6.35
Cheung Kong Fin 5½ 98	500	90	90½		8.53
China 6½ 04	1000	87¼	87¾	+¼	8.57
Council Europe 8 96	100	102¼	102⅝	+⅛	6.68
Credit Foncier 9½ 99	300	108	108⅜	+⅛	7.30
Denmark 5¾ 98	1000	95½	95⅞	+⅛	6.91
East Japan Railway 6⅝ 04	600	91	91¼	+⅛	8.06
ECSC 8¼ 96	193	102⅞	103⅛		6.85
EEC 8¼ 98	100	102¾	103⅛	+⅛	8.52
EIB 7¾ 96	250	102	102⅜	+⅛	6.53
EIB 9¼ 97	1000	106⅝	106⅞	+⅛	6.92
Elec de France 9 98	200	105⅜	105⅝	+⅛	7.18
Eurofima 9¼ 96	100	103⅜	104⅛		6.48
Ex-Im Bank Japan 8 02	600	101½	101⅞	+⅛	7.72
Export Dev Corp 9½ 98	150	107⅛	107⅝	+⅛	7.25
Federal Natl Mort 7.40 04	1500	96⅛	96½	+⅛	7.93
Finland 6⅜ 97	3000	99⅜	99⅝	+⅛	7.09
Finnish Export 9⅜ 95	200	103¼	103½	+⅛	6.24
Ford Motor Credit 6¼ 98	1500	97⅜	97½	+⅛	7.33
Gen Elec Capital 9⅜ 96	300	104⅝	104⅞	+⅛	6.58
GMAC 9⅜ 96	200	102⅝	103⅛		6.98
Ind Bk Japan Fin 7⅞ 97	200	101⅛	101⅞		7.30
Inter Amer Dev 7⅛ 96	200	101⅞	102¼	+⅛	6.59
Italy 6⅞ 23	3500	80⅝	81	+⅛	8.81
Japan Dev Bk 8⅜ 01	500	103⅝	104	+¼	7.62
Kansai Elec Pwr 10 96	350	104⅝	105		6.60
Korea Elec Power 6⅜ 03	1350	86¾	87⅛	+⅛	8.74
LTCB Fin 8 97	200	101⅝	102¼	+⅛	7.10
Matsushita Elec 7¼ 02	1000	96⅞	97⅛	+⅛	7.94
Norway 7¼ 97	1000	101⅛	101⅜	+⅛	6.74
Ontario 7⅜ 00	3000	96⅞	97¼	+¼	8.05
Oster Kontrollbank 8½ 01	200	104½	104⅞	+⅛	7.58
Pepo-Canada 7¼ 96	200	100⅞	101¼	+⅛	6.64
Portugal 5¾ 03	1000	86¼	86½	+⅛	8.06
Quebec Hydro 9¾ 98	150	107¼	107¾	+⅛	7.59
Quebec Prov 9 98	200	104⅜	104⅞	+⅛	7.53
Sainsbury 9¼ 00	150	104	104½		6.95
SAS 10 99	200	106⅝	107⅛	+¼	8.24
SNCF 9½ 96	150	107⅛	107⅝	+⅛	7.22
Spain 6½ 99	1500	95⅝	95⅞	+⅛	7.32
State Bk NSW 8½ 98	200	102⅞	103¼	+⅛	8.72
Sweden 5½ 95	2500	99⅛	99⅜		6.25
Swedish Export 8⅞ 96	700	102⅝	102⅞	+⅛	6.51
Tokyo Elec Power 6⅝ 03	1000	89	89¼	+⅛	7.69
Tokyo Metropolis 8¼ 96	200	102⅞	103¼		6.75
Toyota Motor 5⅝ 98	1500	95⅝	96	+⅛	7.02
United Kingdom 7¼ 02	3000	97⅜	97⅝	+¼	7.64
World Bank 8⅝ 96	1500	105⅛	105½	+⅛	7.24
World Bank 8¾ 97	1500	104⅞	105⅛	+⅛	6.68
United Kingdom 7⅛ 97	5500	101⅛	101⅜		6.70
Volkswagen Intl Fin 7 03	1000	95	95½	+⅛	7.80
World Bank 0 15	2000	19⅝	20⅛	-⅛	7.93
World Bank 5⅞ 98	3000	88⅞	89½		7.68
World Bank 8⅝ 00	1250	107½	108¼	-1	7.07
DEUTSCHE MARK STRAIGHTS					
Austria 6½ 24	2000	81⅛	81½	+¼	8.20
Credit Foncier 7¼ 03	2000	95⅜	95⅞	-⅛	7.84
Denmark 6⅛ 98	2000	98	98¼		6.79
Depfa Finance 6½ 03	1500	91⅛	91¼	+½	7.78
Deutsche Bk Fin 7½ 03	2000	99⅛	99⅜	+1⅛	7.61
EEC 6½ 00	2900	95⅝	95⅞		7.25
EIB 6¼ 00	1500	96⅝	97	+⅛	6.98
Finland 7½ 00	3000	100⅛	100¼	+⅛	7.46
Italy 7¼ 98	5000	100½	100⅝		7.06
LKB Baden-Wuert 6½ 98	2250	87½	87⅝	+⅛	8.02
Norway 6⅛ 98	1500	98¼	98½		6.67
Ontario 6¼ 04	1500	89⅛	89⅜	+⅛	7.89
Spain 7¼ 03	4000	96⅝	96⅞	+⅛	7.78
Sweden 8 97	2500	102⅝	103		7.03
SWISS FRANC STRAIGHTS					
Asian Dev Bank 6 10	100	100½	101	+½	5.95
Austria 4½ 00	1000	89½	89⅞		5.25
Council Europe 4¾ 98	250	99	99½	-¼	5.07
Denmark 4¼ 99	1000	95⅝	95⅞	-⅛	5.26
EIB 6¾ 04	300	108			6.07
Elec de France 7¼ 98	100	107½	108½		6.30
Finland 7¼ 99	300	106	107		5.64
Hyundai Motor Fin 8½ 97	100	106½	107		6.06
Iceland 7⅞ 00	100	107	108		6.16
Kobe 6⅝ 01	240	103	104		5.83
Ontario 6¼ 03	400	100⅜	100¾	-⅛	6.22
Quebec Hydro 5 08	100	85½	86½		6.65
SNCF 7 04	450	106⅝	107¼	-¼	6.08
World Bank 5 00	150	95⅞	96		5.82
World Bank 7 01	600	106½	107	-¼	5.76
YEN STRAIGHTS					
Belgium 5 99	75000	102⅝	102⅞		4.42
EIB 6⅝ 00	100000	110⅜	110⅝		4.45
Finland 6⅜ 98	50000	105	105¼		3.32
Inter Amer Dev 7¼ 00	30000	113¼	113½		4.54
Italy 3½ 01	300000	92	92⅜		4.96
Japan Dev Bk 5 99	100000	103	103½		4.32
Japan Dev Bk 6½ 01	120000	110⅞	111		4.65
Nippon Tel Tel 5⅞ 96	50000	104⅞	105	-⅛	3.41
Norway 5⅞ 97	150000	104⅛	104⅜		3.50
SNCF 6¼ 00	30000	110⅝	111		4.48
Spain 5¼ 02	125000	103⅜	103⅝		4.72
Sweden 4⅝ 98	150000	101½	101¾		4.13
World Bank 5¼ 00	250000	103⅜	103⅞	-⅛	4.70
OTHER STRAIGHTS					
Genfinance Lux 9⅛ 99 LFr	1000	105⅜	106⅜		7.57
KB Deut Industbk 8½ 03 LFr	3000	100	101		8.49
World Bank 0 98 LFr	1000	100½	101½		7.61
ABN Amro 6⅝ 00 Fl	1000	98⅛	98½	-⅛	7.48
Bank Ned Gemeenten 7 03 Fl	1500	95¾	96⅛	+⅛	7.69
Alberta Province 10⅝ 00 C$	500	103¾	104	+¼	7.68
Bell Canada 10⅝ 99 C$	150	105⅝	106¼	+⅛	9.12
British Columbia 10 96 C$	500	103¼	103⅝	+⅛	7.85
EIB 10⅛ 98 C$	130	105⅞	107	+⅛	8.08
Elec de France 9¾ 96 C$	275	103⅜	104⅛	+⅛	8.78
Gen Elec Capital 10 96 C$	300	100	103⅜	+⅛	8.03
KfW Int Fin 10 01 C$	400	103⅞	104½		9.16
Nippon Tel Tel 10¼ 99 C$	200	105½	105⅞	+⅛	8.88
Ontario 8 03 C$	1500	92¾	93⅛	+⅛	9.47
Ontario Hydro 10⅞ 99 C$	500	106⅞	107¼	+⅛	8.93
Oster Kontrollbank 10¼ 99 C$	150	100	105⅛		8.93
Quebec Prov 10½ 98 C$	200	104⅞	105⅜	+⅛	9.03
Belgium 9⅛ 96 Ecu	1250	102⅛	102⅜		7.43
Council Europe 0 01 Ecu	1100	101¼	101⅝	+⅛	8.75
Credit Lyonnais 9 96 Ecu	125	101½	102⅛		7.94
EIB 10 97 Ecu	1125	104⅛	104⅝		7.95
Ferro del Stat 10⅛ 98 Ecu	500	104⅝	105⅛	+½	8.44
Italy 10⅝ 00 Ecu	1000	108½	108⅞	+¼	8.74
Spain 9 96 Ecu	1000	102⅛	102⅜		7.56
United Kingdom 9⅛ 01 Ecu	2750	102⅜	102⅝		8.61
AIDC 10 99 A$	100	101½	101⅞	+⅛	8.57
Comm Bk Australia 13¾ 99 A$	100	114½	114⅞	+½	9.04
EIB 7¾ 99 A$	350	95⅛	95½	+⅛	9.19
NSW Treasury Zero 0 20 A$	1000	7⅝	8	+⅛	10.33
R & I Bank 7¾ 96 A$	125	85⅝	85½		10.41
State Bk NSW 9 02 A$	300	92⅝	93⅛	+⅛	10.40
Sth Aust Govt Fin 9 02 A$	150	92	92½	+⅛	10.52
Unilever Australia 12 98 A$	150	106¾	107¼	+½	9.63
WESTERN AUST TREASURY 7⅞ 00 A$	100	94¾	96	+⅛	9.35
Abbey Natl Treasury 8 00 £	1000	90⅝	90⅞	+⅛	8.64
Alliance Leics 11⅜ 97 £	100	108	108⅜		8.89
British Land 8⅞ 23 £	150	86¾	87¼		10.59
Denmark 9¾ 00 £	800	93¼	93½	+⅛	8.85
EIB 10 97 £	837	103¼	103½	-⅛	8.39
Halifax 10⅜ 97 £	100	103⅞	104¼	-⅛	8.58
Hanson 10⅜ 97 £	500	103½	103⅞	+⅛	9.01
HSBC Holdings 11.69 02 £	153	108⅜	108⅞	+⅛	10.09
Italy 10½ 14 £	400	105¾	106	+⅛	9.82
Japan Dev Bk 7 00 £	200	91¼	91½	+⅛	8.92
Land Secs 9½ 07 £	200	96⅞	97¼	+⅛	9.93
Ontario 11⅜ 01 £	100	106⅞	107¼	+⅛	9.61
Powergen 8⅞ 03 £	250	95⅜	95⅝	+⅛	9.68
Severn Trent 11½ 99 £	150	107⅞	108⅜	+⅛	9.36
Tokyo Elec Power 11 01 £	150	107¼	107⅝	+¼	9.47
Abbey National 0 96 NZ$	100	83	84	-⅛	9.50
TCNZ Fin 9¼ 02 NZ$	73	95½	96½	-1	10.10
Credit Local 6 01 FFr	7000	89⅛	89¼		8.05
Elec de France 8¾ 22 FFr	3000	99¼	99⅝	+½	8.82
SNCF 9¼ 97 FFr	4000	104¼	104½	+⅛	7.34

FLOATING RATE NOTES	Issued	Bid	Offer	C.cpn
Abbey Natl Treasury -$\frac{1}{16}$ 99	1000	99.32	99.43	4.9375
Banco Roma 0 99	200	99.88	100.02	4.7812
Belgium $\frac{1}{16}$ 97 DM	500	100.13	100.23	5.1250
BFCE -0.02 98	350	99.74	99.87	4.7300
Britannia 0.10 98 £	150	99.91	100.01	5.4125
Canada -⅛ 99	2000	99.13	99.20	4.8250
CCCE 0 00 Ecu	200	98.97	99.21	5.8229
Credit Lyonnais $\frac{1}{16}$ 00	300	97.72	98.21	5.3125
Denmark -⅛ 96	1000	99.59	99.71	5.0625
Dresdner Finance $\frac{1}{32}$ 98 DM	1000	99.96	100.07	5.0898
Ferro del Stat 0.10 97	420	100.00	100.16	4.9125
Finland 0 97	1000	99.97	100.05	5.3750
Ireland 0 98	300	99.63	99.74	4.8800
Italy ¼ 96	2000	100.11	100.18	5.0000
LKB Baden-Wuert Fin -⅛ 98	1000	99.42	99.51	4.5625
Lloyds Bank Perp S 0.10	600	83.50	84.50	5.4198
Malaysia $\frac{1}{16}$ 05	650	99.33	99.68	5.2500
New Zealand -⅛ 99	1000	99.57	99.65	4.8125
Ontario 0 99	2000	99.42	99.47	4.9375
Renfe 0 98	500	99.34	99.55	5.1250
Societe Generale 0 96	300	99.58	99.70	4.0312
Staatsbank Berlin -0.05 98 DM	6000	99.96	100.01	4.8500
State Bk Victoria 0.05 99	125	99.71	99.82	5.1125
Sweden 0 98	1500	99.84	99.90	5.0000
Sweden -⅛ 01	2000	98.64	98.73	4.8250
United Kingdom -⅛ 00	4000	99.79	99.84	4.5000

CONVERTIBLE BONDS	Issued	Conv. Price	Bid	Offer	Prem.
Browning-Ferris 6¾ 05	400	52½	95½	96½	+67.13
Chubb Capital 6 98	250	99	100¾	101¾	+21.82
Gold Kalgoorlie 7½ 00	99	1.0554	113⅛	113¾	+23.23
Hanson 9½ 06 £	500	2.5875	105¼	106¼	+13.47
Hanson America 2.39 01	1000		74½	75½	
Hawley Pref 0 02	400				
Land Secs 6¾ 00 £	84	6.72	96¼	98⅝	+6.76
Lasmo 7¾ 05 £	90	5.64	82¼	83⅝	
Mitsui Bank 2⅝ 96	200	2332.6	86⅞	88⅞	+14.72
Mount Isa Fin 6½ 97	100	2.283	101⅞	100¼	+5.43
Natl Power 6¼ 98 £	250	4.39	116⅞	117½	+6.53
Ogden 9 02	98	38.077	87	89	+58.13
Pennzoil 4¾ 03	500	58.6087	91	92	+24.10
Sumitomo Bank 3⅛ 04	300	3606.9	79½	80½	+19.44
Sun Alliance 7¼ 96 £	165	3.9	96⅞	97¾	+20.71
Tesco Capital 9 05 £	200	2.51	115½	116½	+19.80
Texas Instruments 2¾ 02	300	82⅞	98	99	+7.57

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (three-month §above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Data supplied by International Securities Market Association.

COMPANY NEWS: UK

Montgomery confirms joint venture for subscription cable channel

Mirror Group restores dividend

By Raymond Snoddy

The Mirror Group announced yesterday that it was paying its first dividend since the days of the late Mr Robert Maxwell.

Even though the payment is only 1p it was being seen as a significant development since the publisher of the Daily and Sunday Mirror was returning to normality and even respectability.

Pre-tax profits were £34.7m for the six months to July 3. The previous figure of £69.9m included an exceptional credit of £36.1m, mainly representing the release of pension fund provisions.

The modest increase in profits before exceptionals, against the background of a price war in the industry, was matched by underlying growth in earnings per share from 6.4p to 6.6p. Advertising revenue rose from £83.4m to £84m.

Turnover fell from £237.2m to £230.6m. However, operating costs were reduced by £8.8m to £176m and interest payable fell to £11.9m (£15.8m). The group said a £350m restructuring of debt had been arranged in principle on much improved terms.

Mr John Attwood, finance director, accepted that in any other industry the performance would be considered flat. But "In the context at least of the newspaper industry at the moment they [the results] are exceptionally strong."

Mr David Montgomery, chief executive of Mirror Group, also confirmed yesterday that heads of agreement had been signed to form a joint venture with five of the largest cable and telephone companies in the world to provide a national subscription channel on cable.

The channel, to be called Live TV, will be distributed to more than 500,000 homes from the outset and will focus mainly on live events.

Heads of agreement have also been signed with Midland Independent Newspapers, publisher of the Birmingham Post and Evening Mail to develop Birmingham Live, a local version of Live TV.

Mr Montgomery said sales of the Mirror had remained about 2.5m a day, which with sales of the Daily Record took the total to 3.2m.

Mr Montgomery also warned that the reduction in the price of The Independent, in response to cuts at The Times and the Daily Telegraph, would have a damaging effect on revenues and losses for the year.

Losses at Newspaper Publishing, publisher of The Independent, are likely to be larger than expected, although Mr Montgomery declined to say current what trading losses were.

The Mirror Group's 28 per cent stake in Newspaper Publishing, purchased in March, cost £1.4m over the four months since acquisition.

● COMMENT

The shareholders of Mirror Group are not exactly going to respond with three cheers to yesterday's results. But the modest restoration of dividends, reduced operating costs, the prospect of better margins on debt are all signs that the Mirror is becoming a normal company again. There are also welcome signs of future thinking through an involvement in cable television and signs of some circulation growth, particularly on Sunday. Profit growth is likely to remain modest, with about £70m likely for the full year. Mr Derek Terrington at Kleinwort Benson is forecasting only £82m for next year – assuming the price wars continue – which would give a prospective p/e ratio of nine. The share price fell 4p to 131p.

Hazlewood Foods chooses chief executive

Hazlewood Foods, which in June reported severe problems with four of its plants, has promoted Mr John Simons, its finance director, to UK chief executive, writes Roderick Oram.

He replaces Mr Chris Ball who resigned when the company revealed that the four acquired, newly built or reorganised plants were running up losses. Mr Simons is succeeded as finance director by Mr Kevin Higginson, the financial controller.

Progress had been made with the plants during the summer, Mr Peter Barr, chairman, told the annual meeting yesterday. Two should become profitable next month, a third during the second half and the fourth was sold last month.

Hazlewood would continue to dispose of non-core businesses, he added.

As a result of the problems flagged in June, profits for the first half to September 30 would show "a very significant shortfall" from a year earlier, he said.

The shares rose 9p to 139p.

Improved cash flow lets Booker edge to £30.5m

By Roderick Oram,
Consumer Industries Editor

Improved cash generation allowed Booker, the food group, to lift its interim pre-tax profits and dividend yesterday despite difficult trading conditions in the UK and US.

Pre-tax profits edged ahead from £29.9m to £30.5m, thanks to interest costs falling from £8.4m to £6.3m.

Net debt was cut to £149.1m (£202.4m) by proceeds from disposals and tighter control of working capital. Gearing fell to 79 per cent (123 per cent).

Against City expectations, the interim payout was raised to 7.7p from 7.5p. "We aim to increase the dividend at least in line with inflation," said Mr Charles Bowen, who joined the the group as chief executive 15 months ago.

Mr Bowen said this year should see the sale of the last few small businesses earmarked for disposal and an improved performance from the recently reorganised food service division.

Distribution margins remained under severe pressure and products such as cigarettes could be adversely affected by the November Budget.

The group's operating profits fell to £36.8m (£38.3m) in the 24 weeks to June 18. The biggest problem was Booker's US agribusiness, where profits dropped 60 per cent to £2m. Arbor Acres, a chicken breeder, suffered a fall in market share and higher research and development expenses. No pick-up is expected before 1996, Mr Bowen said. The UK agribusiness was ahead by £0.6m at £4.7m.

Fish processing profits fell to £3.4m (£3.9m), mainly reflecting a lower fish catch and thus higher prices which the company was unable to pass on.

Booker's biggest business, food wholesaling, pushed up sales by 9.6 per cent to £1.04bn but profits were flat at £13.7m. This was because of the the change in Budget date from April to November, the company said.

Earnings per share were 9.8p (10.25p) including a 0.04p exceptional gain against a 0.26p exceptional loss.

● COMMENT

Mr Bowen has delivered the first part of what he promised when he joined Booker: better management and cashflow and a tighter focus to its businesses. In some ways, part two is harder. He wants to build and buy businesses in notoriously difficult sectors. Cash and carry will always bear the brunt of retail price wars as independent grocers struggle to compete. Booker would like to land another big fish operation but there are good economic reasons why targets might come up for sale. Given difficult trading conditions and the long horizon for phase two, Booker will be lucky this year to better the £89.7m pre-tax before exceptionals of last year. On a prospective p/e of 16, the shares are carrying an over-optimistic view of earnings growth.

Liberty Mutual to invest in Lloyd's

By Richard Lapper

Liberty Mutual, a US insurance company, is to invest in Lloyd's of London, signalling continuing interest by corporate investors in the market.

The news coincided with the publication by Lloyd's of new rules which allow corporate members greater room for manoeuvre. The market, which won some £800m in corporate investment last year, is hoping to attract a further £125m to £250m in 1995.

Liberty, a Boston-based group, said its investment would allow Cater Allen Syndicate Management, an agency part of Cater Allen Holdings, to provide an extra £40m in capacity to Syndicate 190, increasing its potential premium income to more than £70m next year.

Management of the syndicate, will switch to a new agency next year, although this is dependent on the approval of the regulatory authorities at Lloyd's.

"These arrangements reflect both Lloyd's stated aims of broadening the market's capital base and the recent trend towards corporate capital at Lloyd's being provided on a dedicated basis to selected syndicates," said Mr Robin Gilkes, chairman of Cater Allen Syndicate Management.

Separately Lloyd's announced that corporate syndicates – ones which contain one member whose sole business is writing on that syndicate – will be permitted next year. So-called "parallel syndicates", which will underwrite business alongside existing syndicates, will also be permitted.

Other changes will allow corporate members to own up to 25 per cent of the agents which administer syndicates. New rules governing the conditions under which corporate member groups can acquire up to 100 per cent of managing agents will be published by the middle of next year.

Lloyd's also said that it would slow the planned introduction of "assignment", a principle allowing Names to trade or transfer their participations on syndicates. The only form of assignment likely to be introduced in 1995 will be for Names re-arranging their affairs through Mapas, a kind of Lloyd's unit trust, or a new kind of limited liability corporate vehicle, which is under consideration at the market.

Existing rules, which limit corporate member groups to 50 per cent of a single syndicate's capacity, and any one corporate member to no more than 25 per cent, will be waived "only if managing agents demonstrate that individual members' pre-emption and other rights have not been ignored".

Bond and equity losses leave Legal & Gen lower

By Alison Smith

Trevor Humphries

David Prosser: sees little prospect of short term improvement

An investment loss of £53m from the bond and equity markets left pre-tax profits at Legal & General Group, the life and general insurer, lower at £58m for the first half of 1994, compared with £75m.

However if L&G had adopted the same accounting method for such gains and losses used by Prudential Corporation, it would have shown an increase to £114.9m (£74.7m). The interim dividend rose by 6.9 per cent to 6.95p (6.5p).

Pre-tax profit in its core UK life and pensions business rose slightly to £63m (£59.7m), but this was primarily related to business already in force, where profits increased by £5.4m, rather than to new business acquired.

Pre-tax profit from overseas life and pensions business totalled £19m (£18.4m).

Mr David Prosser, chief executive, said he saw little prospect of short-term improvement in the testing conditions of the UK market, and predicted increased competition and narrower margins next year from the new regime requiring insurers to volunteer more information about products and charges to customers.

L&G has already cut the number of its sales agents, who are self-employed and paid by commission, from 2,300 at the start of the year to about 1,800 now. It expects this to fall to about 1,000 by the end of next year.

At the same time, it plans to expand its 100-strong employed and salaried sales force to about 300, and strengthen its ability to sell through independent financial advisers.

Mr Prosser said L&G could halve the number of its self-employed sales force and that this might reduce the amount of new business by only 15 per cent. He insisted, however, that there was still a role for commission-based advice.

While forecasting some rationalisation within the sector, he said that L&G's size and range of distribution methods left it well-placed for the future, including opportunities to absorb smaller companies.

The UK general insurance business saw a turnround from an underwriting loss of £17.7m to a profit of £23m. Mr Prosser said the business had benefited from the decision to focus on personal lines as a key area.

He added, however, that there was some anecdotal evidence of price-cutting in premium rates, and emphasised the need to ensure that policies were priced to reflect exposure to risk.

£234m so far for B&C creditors

By Andrew Jack

Creditors to British & Commonwealth, the collapsed financial services group, are to receive interim payments of £95m, the administrators said yesterday.

Creditors to British & Commonwealth Holdings will receive a dividend of 5p in the pound, bringing their total received so far to 20p or £234m.

Creditors to B&C Group Finance, a subsidiary, will get 2p in the pound, bringing their total to 30p or £223m. Creditors to Group Finance will receive a further 3p in the pound or £22m from the sale earlier this week of shares in Celltech, a biotechnology company in which it had a stake.

Other dividends have come through the sale of the shares of Exco, the group's money-broking subsidiary which was floated in July.

The details came in a report circulated to creditors by Stephen Adamson, Nigel Hamilton and Gareth Hughes, the administrators from accountants Ernst & Young.

The administrators have not changed their estimate that total dividends will be about £1bn. There was no mention of progress on a number of threatened and current legal actions designed to gather additional money for creditors.

Directors and advisers were subject to strong criticism in a Department of Trade & Industry inspectors' report published last month.

S&U up 15% to £2.6m

By Christopher Price

S&U, the consumer credit group, reported interim pre-tax profits up 15 per cent at £2.61m for the half year to July 31, against £2.27m last time.

Mr Derek Prosser, chairman, said the general upturn in the financial services industry, together with its own organic expansion, had been behind the rise. "We have seen a strong rise in demand from consumers which we have been able to respond to," he said.

Earnings per share increased 15 per cent to 14.24p (12.33p), while the dividend is raised from an adjusted 2.36p to 3p. Turnover improved 13 per cent to £28.69m (£25.3m).

Mr Prosser said current trading was also encouraging and he was "reasonably optimistic" about prospects for the full year.

The Birmingham-based company is involved in selling financial services, predominantly small unsecured loans, to a customer base of 120,000, serviced largely by an army of door-to-door part-time sales staff. It is also involved in selling insurance and merchandise.

IFG advances to I£403,000 at six months

IFG Group, the Dublin-listed financial services company, reported a 24 per cent increase in pre-tax profits for the six months to June 30, from I£324,000 to I£403,000 (£396,575). Turnover rose 18 per cent from I£4.75m to I£5.6m.

Earnings per share were 0.81p (0.69p). No interim dividend is proposed but Mr Richard Hayes, chief executive, indicated the intention to recommend an increased final dividend for 1994.

German stake to cost T&N £118m

By Kevin Done,
Motor Industry Correspondent

T&N, the UK automotive components group, said yesterday that it would pay up to DM282.6m (£117.7m) to acquire a 52.5 per cent stake in Kolbenschmidt, a leading German motor components producer.

The deal must be approved by the competition authorities in the US, Germany, France and the UK.

If it goes ahead, it will make T&N one of the world's leading producers of engine pistons, vying for the number one position with Mahle of Germany.

In bearings it will rival Federal Mogul of the US for world leadership.

According to the terms of the deal disclosed yesterday the UK group has acquired options to purchase up to 1.413m shares in Kolbenschmidt representing 52.5 per cent of the equity.

T&N said that a 24.99 per cent stake in Kolbenschmidt had been acquired by Commerzbank on its behalf for DM124.4m.

This stake will be held by the German bank at T&N's risk with the UK group taking any loss or gain, if the holding has to be sold in the event of the deal not going ahead.

Metallgesellschaft, the troubled German metals, mining and engineering group, is selling its 47 per cent holding in Kolbenschmidt, while Magna International, the Canadian automotive components group, is reducing its stake from 12.5 to 2.5 per cent.

German institutional investors will take over 32 per cent of the Kolbenschmidt shares, with T&N holding options on the majority of this stake representing 25.01 per cent of the Kolbenschmidt equity. It addition it has an option to take over Magna's remaining 2.5 per cent.

Mr Colin Hope, T&N chairman and chief executive, said the acquisition of a majority holding in Kolbenschmidt would make T&N into "the most innovative and competitive supplier of automotive pistons and bearings in the world".

It would greatly strengthen the group's position in the pistons market in Germany, the biggest vehicle-producing country in Europe and where T&N had been weak, and it would take it for the first time into the Brazilian market, which has been growing rapidly in the last two years.

Kolbenschmidt designs and manufactures a wide range of diesel and petrol engine pistons, plain bearings and bushes. It also produces oil and water pumps and aluminium castings.

In the year to the end of September 1993 it made a pre-tax loss of DM124m on a turnover, excluding businesses since sold, of DM1.2bn.

Mr Hope said that T&N group turnover next year would exceed £2.5bn, if the deal goes ahead as planned by January.

Sirdar hit by worldwide slump in hand-knitting

By Peter Pearse

A sharp increase in operating losses in hand-knitting yarns restrained pre-tax profits at Sirdar, the textiles group, in the year to June 30.

At the pre-tax level, they slipped 3 per cent to £5.57m (£5.73m), though it was pointed out that, without the additional pension cost of about £350,000 arising from the latest actuarial valuation, profits would have risen 3 per cent.

Mr Gerry Lumb, chairman and managing director, said he was "disappointed" with the result. He said that hand-knitting as a pastime had slumped worldwide in less than a generation. This decline in knitters in turn led to fewer shops selling yarns.

As a result, Sirdar has invested £3m – mostly in working capital, though some on machinery – to expand Tilsa Yarns into the production of lower-margin Repco yarns for supply to knitwear makers. These machine-knitting yarns now account for two-thirds of the division's output. Operating losses in the division were £1.11m (£93,000) on turnover of £20m (£20.4m).

Profits in the other textile products division grew to £6.74m (£6.08m) on turnover up at £34.2m (£31.5m). Burmatex, the carpet business, lifted sales and profits by about 6 per cent, while Eversure, which makes curtains, raised turnover 10 per cent and profits 30 per cent.

The Tilsa investment lifted borrowings to £5.5m for "modest" gearing of 17 per cent. Earnings edged ahead, after a lower tax charge, to 6.9p (6.89p) per share and the final dividend is held at 3.7p for a higher total of 5.42p (5.35p).

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Applied Dist	int	1.3	Oct 31	-	-	-
APV	int	1	Dec 2	2	-	5.4
Bentalls	int	0.6	Nov 4	0.6	-	2
Booker	int	7.7	Jan 3	7.5	-	21.75
British Fittings	int	1	Nov 25	0.75	-	2
British Mohair	int	1.4	Oct 28	1.4	-	8.5
Cala	fin	1.9†	Oct 29	1.55	2.8	2.8
Courtaulds Tex	int	4.9	Nov 10	4.7	-	14.2
Crean (James)	int	5.925†§	Dec 16	5.635		13.5
East German Inv	fin	nil	-	0.2	Nil	0.2
Folkes Group	int	0.592	Dec 1	0.575	-	1.5
Indpt Insurance	int	4	Oct 31	3.5	-	8.25
Jackson Group	int	0.5	Nov 1	0.5	-	1.3
Kleinwort Smaller	int	1.1	Nov 1	1.5	-	3.5
Kwik-Fit	int	1.7	Nov 14	1.5	-	3.8
Legal & General	int	6.95	Dec 1	6.5	-	20.1
Logica	fin	3.6	Nov 7	2.75	5	4
Meggitt	int	1.3	Dec 2	1.3	-	3.93
Mirror Group	int	1	Nov 11	nil	-	nil
National Express	int	2.7	-	2.5	-	7.5
Primadona	fin	2.5	Oct 21	2.5	4.5	4.5
Proudfoot	int	2†	Nov 25	2	-	3.5
Royal Dutch	int	3.8‡	Sep 27	3.7	-	8.6
Rutland Trust	int	0.3	Nov 28	0.27	-	0.87
S&U	int	3	Nov 21	2.36*	-	10.45*
Shell Transport	int	11.2	Nov 3	10.2	-	24
Sirdar	fin	3.7	Nov 28	3.7	5.42	5.35
Swallowfield	int	2.7	Oct 28	2.2	-	5.2
United Biscuits	int	5.5	Jan 4	5.5	-	15.3
Whatman	int	3.6	Nov 14	3.3	-	10.2

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. ‡Dutch guilders. *Irish pence.

French purchase cuts Courtaulds Textiles

By Peggy Hollinger

Entering the competitive French hosiery market has cost Courtaulds Textiles, the clothing and fabrics group, £7.4m in the half year to June 30 and helped to depress pretax profits by 26 per cent from £13.7m to £10.1m.

Mr Noel Jervis, chief executive, said that in spite of the losses incurred by businesses acquired from Hartstone in March, including Cogetex of France, he was pleased with their progress.

"They have performed in line with our expectations," he said. "The recent hosiery acquisition is highly seasonal and the loss incurred was as anticipated."

The months consolidated by Courtaulds were the French businesses' worst trading period, he said. From March to June, they achieved on average just 12 per cent of annual sales, whereas the bulk arose in the autumn and winter months. "It's a bit like selling fireworks and Christmas cards," he said.

The heavy second half bias meant that predicting the outcome for the year at this stage was difficult, although the businesses were expected to contribute a profit. Courtaulds said it would update shareholders in December when trading patterns would be clearer.

Excluding the effects of acquisitions, disposals and other one-off charges, profits on a like-for-like basis rose by 22 per cent to £14.6m. The profits improvement was largely due to lower interest costs relating to the underlying businesses, and reduced reorganisation charges.

Like-for-like operating profits before reorganisation costs were 1 per cent down at £16.9m.

Sales rose 10 per cent at £463m, including £15.3m from acquisitions, against £422.5m, including £600,000 from discontinued activities.

All divisions returned improved profits before interest charges, with the exception of branded clothing which fell into loss. This included the Hartstone businesses as well as Aristoc, which was affected by problems at a factory and Georges Rech, which suffered from difficult trading.

Mr Jervis said the problems with Aristoc were now "well over" and it was expected to make a "respectable profit in the second half. Georges Rech had been restructured, but trading continued difficult.

The dividend was increased by 4.25 per cent to 4.9p (4.7p) although earnings fell by 33 per cent to 7p (10.4p).

● **COMMENT**

Courtaulds may be optimistic about its future in Europe but the market is not going to take any chances until that December trading statement. While encouraged by noises that Sara Lee may be retreating on its aggressive price cutting campaign, there are a few too many burnt fingers out there after last years profits warning. The biggest factor in Courtaulds' favour, for the short-term, anyway, is its management. They have done well in recession and the Hartstone purchase does have considerable recovery potential. Forecasts this year are for about £45m, putting the shares on a prospective p/e of about 17. This premium appears justified given the opportunities for recovery in Europe.

Andrews Sykes splits advice

By Richard Wolffe

Independent directors of Andrews Sykes, the specialist industrial services group, yesterday issued split advice to shareholders over a buy-out bid from Mr Jacques Murray, the chairman.

The two non-executive directors, Mr Michael Gailer and Mr Michael Haines, advised shareholders to reject the bid of 50p per ordinary share if they have confidence in the group's potential.

However, they added that risk-averse shareholders should consider selling in the market.

Holders of preference shares are recommended to reject outright a bid of 12p per share in the formal offer document which was posted yesterday.

Ordinary shares closed down 2p at 74p yesterday, while preference shares remained unchanged at 43p.

The offer, which values the company at £8.24m, was triggered under the City takeover code in mid-August when European Fire Protection Holdings' stake in the group passed the 29.9 per cent threshold.

Since then European Fire, a private Netherlands-based company owned by Mr Murray, has increased its holding to 42.1 per cent of the ordinary shares and 8.3 per cent of preference shares.

Andrews Sykes is in the midst of a reorganisation to refocus on its core activities of pumping, heating, air conditioning and its UK-based hire business.

The company's UK bankers have demanded that the group, whose gearing stood at 256 per cent on March 31, reduces borrowings from about £16m to £9.9m by January 31, 1995.

The company has not yet paid the dividend on preference shares due on June 1. Distributable reserves stood at just £11,000 on March 31.

The group holds its annual meeting today.

Defence uncertainties catch up with Meggitt

By Caroline Southey

A slowdown in defence and aerospace-related businesses were behind a drop in interim pre-tax profits and sales at Meggitt, the Dorset-based engineering company.

Pre-tax profits in the half-year to June 30 fell from £10.77m to £8.58m while turnover dropped 10 per cent from £179.3m to £161.7m.

The aerospace division saw a drop in sales from £64.9m to £60m and controls from £61.1m to £50.3m. Only electronics increased, from £30.8m to £31.6m.

The sales decline was due to "continuing slowing of orders for the defence and aerospace-related businesses and fewer major contract completions", Mr Ken Coates, executive chairman, said.

The aerospace division continued to suffer because of fundamental changes in the defence sector and a highly competitive commercial market.

But he predicted a return to growth in 1995 provided that trading conditions continued to improve. Orders for the first half of 1994 were up 15 per cent on the second half of last year, and the Asia Pacific market saw a 80 per cent rise in overall sales from £10.5m to £16m.

Mr Coates said he expected growth in the next year to be driven by the electronics division, with the component companies showing the most notable improvement.

The rationalisation programme continued with a further 3 per cent reduction in numbers employed to just under 6,000 and the amalgamation of five small businesses with larger ones.

A disposal programme would realise cash in excess of £20m. Gearing had been reduced from 31 per cent to 29 per cent.

Earnings per share fell from 3.3p to 2.5p and an interim dividend of 1.3p is maintained.

● **COMMENT**

There had to come a point when problems in the aerospace industry finally caught up with Meggitt. The moment has arrived, although the severity of the impact had not been anticipated. The company will be able to achieve some earnings progress through the energy and electronics divisions, but they are small and it is unlikely to be enough to excite investors. Even a well-intentioned restructuring programme will be unable to overcome the problems of a declining military aerospace sector and a civilian sector unlikely to pick up before the end of 1996. The market could take some convincing with a forecast of £18m for 1994 and a prospective p/e of 14.7.

Beauford back in black

An improving order intake helped Beauford return to profit in the six months to June 30.

On sales of £16.7m (£13.4m) from continuing operations, the engineering and ceramics group achieved pre-tax profits of £851,000 (£3.06m loss) including an exceptional credit from the sale of the Clayton stake of £362,000. But interest took £313,000 (£503,000).

Earnings per share came through at 3.9p (38.27p loss).

Output predicted to show steady increase into the next century

BP emerges from retrenchment era

By Robert Corzine

British Petroleum yesterday disclosed details of its future exploration and production strategy, in a move which reinforced its recent message that it has now emerged from a protracted period of retrenchment.

In an upbeat and wide-ranging briefing to industry analysts in London, Mr John Browne, managing director of BP Exploration, said the company was set to expand annual oil and gas production by two and six per cent respectively into the next century.

The steady rise in output would result from improved recovery rates from fields in Alaska and the North Sea – the current focus of BP operations – and the development of new projects, many of them in the developing world.

Mr Browne used the occasion to announce the discovery of two big natural gas fields off south Vietnam, the latest in a series of gas finds which will reduce the company's dependence on oil.

Recoverable gas reserves from the offshore Nam Con Son basin were 2 trn cubic feet. That is large enough for the discovery to "play a key role in supplying Vietnam's emerging gas market," said Mr Browne.

Mr Browne said gas would form a growing part of BP's business. In addition to Vietnam, it has recently found a large gas field in Colombia, where demand has been rising by 10 per cent a year.

The company is also negotiating with Sonatrach, the Algerian state energy company, on a project to develop a gas field which would be linked by pipeline to southern Europe.

BP also had "significant" undeveloped gas reserves in Papua New Guinea which might justify a costly liquified natural gas project.

Mr Browne said BP would have to develop local or regional gas markets to exploit its growing gas reserves. That would require it to enter new businesses, such as power generation. But Mr Browne said it would only do so with experienced partners.

The projected growth in oil production was likely to be accompanied by further cuts in costs. Over the past five years finding costs have fallen from about $5 a barrel to $2, and development costs from $10 a barrel to between $4 and $5.

Mr Browne expressed satisfaction with the portfolio of assets and potential projects outlined yesterday, and said it was the culmination of five years of effort.

Since 1989 annual exploration budgets have fallen by a third to $600m. But spending has been focused on new areas, which could account for 300,000-400,000 barrels a day of new production within five years.

Although many of the new areas are in countries with higher political risk profiles, Mr Browne said developed OECD countries would still account for 75 per cent of the company's output in 2004.

He stressed that BP, which was forced into retrenchment two years ago because of an over-ambitious expansion and investment programme, had adopted a new strategy to avoid making similar mistakes in future.

It will now split upstream development projects into phases to reduce risk and to avoid the bunching of large-scale capital commitments.

"Not all these projects will work out," he said. "And we won't make choices until we have to, when we will take into account a number of factors, including the economics of the time and moves by the competition."

Proudfoot names new chief executive

By Christopher Price

The restructuring and rationalisation measures at Proudfoot, the management consultancy chaired by Lord Stevens, yesterday claimed the job of Mr John Prosser, the chief executive.

He is stepping down from that post and will head the group's European sales operations. Mr Malcolm Hughes, the former managing director of Vernons Group, will take over as chief executive.

Previous cost-cutting moves helped the group report a 16 per cent rise in first-half pre-tax profits from £5.5m to £6.4m from continuing operations. Overall first-half losses last time totalled £14m, including a restructuring provision of £18.3m.

However, in the six months to June 30, tough conditions in the European side of the business, together with the withdrawal from some markets, saw turnover fall 26 per cent to £60.5m (£81.7m).

Mr David Gill, finance director, said that, following the completion of changes to the group, the challenge was to achieve revenue growth from new and existing business. "We have put everything in place, we now have to prove we can do it."

Mr Gill admitted that the problem in the European operations was due partly to organisational difficulties. "John Prosser is going to do a job in which he excelled during the 1980s and early 1990s."

The core Proudfoot consultancy business continued to be the main source of revenue, even though operating profits fell by 30 per cent to £5.34m (£7.66m).

Operations in the US and Mexico performed well; the consultancy achieved a tripling of billings in the US. However, Canada and Brazil were weak.

Mr Gill said Proudfoot would continue to pull in its horns from peripheral markets and concentrate on its core North American businesses.

A turnround was achieved in the Crosby teaching-based consultancy, which turned a £1.5m loss into a £1.2m operating profit.

However, the group said current trading in the division was "disappointing." It added: "The realignment of the cost structure of the business should mitigate this impact, though the decreased revenue will reduce second-half profitability."

Earnings per share slipped 0.1p to 5.2p, while the dividend was maintained at 2p.

Independent Insurance at £10m

By Christopher Price

A good performance from its underwriting business was behind a more than doubling of pre-tax profits from Independent Insurance Group from £4.29m to £10.1m for the first six months of the year.

The general insurer, which floated on the stock market last year, achieved gross underwriting profits of £6.4m against a loss of £2.23m. The latter figure was depressed by a £5.2m loss on stop-loss policies underwritten for Lloyd's Names in 1989 and 1990.

The gross written premium increased by 24 per cent to £131.3m (£106.2m), while investment income rose by the same amount from £3.93m to £4.86m.

Earnings per share jumped from 8.7p to 15.4p and the interim dividend is raised 14 per cent to 4p (3.5p).

The company said that a combination of new products and more efficient systems had contributed towards the improvement.

In its general insurance business, gross premium income in the commercial division rose 31 per cent to £52.1m (£39.7m), resulting in an underwriting profit of £1.5m compared with £300,000.

Mr Michael Bright, chief executive, said the company was taking precautions against potential problems associated with employers liabilities.

The home insurance market produced an underwriting profit 53 per cent ahead at £2m (£1.3m).

Motor insurance business experienced competitive conditions and the gross written premium slipped from £18.7m to £18.2m, although profits almost quadrupled from £500,000 to £1.9m.

Mr Bright added that the encouraging trends seen in the first half were continuing to have a beneficial effect on current trading.

Hodkinson quits from US group

Mr Jim Hodkinson, former managing director of the B&Q DIY chain, has resigned from a consultant's position with Home Depot, the US DIY giant, after only two months, writes Neil Buckley.

He was taken on in July to explore international expansion opportunities for Home Depot.

The company announced yesterday he had resigned "due to family reasons that require him to return to England".

Home Depot refused to say what the reasons were and Mr Hodkinson was not available for comment.

CONTRACTS & TENDERS

Increased market share helps Kwik-Fit to £15m

By David Blackwell

Tony Andrews

Tom Farmer: marketing initiatives brought in more customers

A gain from property sales, coupled with a sharply lower interest charge and higher volume, helped Kwik-Fit Holdings, the tyre, exhaust and brakes fitter, to increase pretax profits by 33 per cent in the half year to end-August.

On sales ahead 14 per cent at £150.4m (£132.1m) the pre-tax result was £15.2m (£11.5m) including £761,000 (£207,000) from property disposals.

Net interest payable fell from £1.06m to £307,000, and borrowings from £17m to £5.6m.

Mr Tom Farmer, chairman, said that marketing initiatives introduced last year had brought in more customers, leading to further increases in market share. The board was "more than satisfied – in fact we are delighted."

Extra volume fed through to a 20 per cent rise in operating profits from £12.3m to £14.8m. Operating margins rose from 9.3 to 9.8 per cent.

The UK contributed £11m (£9.5m) of operating profits on £117.4m (£104.1m) of turnover. More than half the sales were accounted for by tyres, where the group lifted its market share from 14 to 18 per cent.

Sales of exhausts in the UK were 4 per cent higher at £36.8m, while sales in the new brakes sector almost doubled to £8m following a national launch last November. The group is aiming for 10 per cent of the UK brakes market in the next couple of years.

Sales overseas – in the Netherlands and Belgium – rose by 18 per cent to £33m (£28m), yielding operating profits of £3.8m (£2.8m).

Capital expenditure increased from £3.8m to £9m, reflecting the acquisition and development of new properties. Mr John Houston, finance director, said spending last year had been restrained – "but now we have more confidence in the potential of our business."

At August 31 the group was operating a total of 651 (632) centres. A further 27 were being developed. Mr Farmer said he believed there was room for a further 200 outlets in the UK, which has 494 centres.

Earnings per share increased from 4.7p to 6.2p, and the interim dividend is 1.7p (1.5p).

● COMMENT

Tyres and exhausts might seem unexciting markets, but Kwik-Fit has found the right formula to make them pay. Its share of both sectors is rising, adding to its buying power, while there is everything to play for in the new brakes market. The strong brand name and narrow focus has helped it to survive a period of intense competition, and it now feels confident enough to speed up expansion. While plenty of competition remains, it is fragmented. Earnings are expected to be 11p for the full year and 13p in 1995-96, which puts the stock at a 10 per cent discount to the market. This looks grudging for a company behind such a successful retail concept.

Rutland at £4.5m and plans expansion

By David Blackwell

Rutland Trust, the financial and business services group, boosted pre-tax profits by 23 per cent for the six months to June 30.

They rose from £3.64m to £4.48m on turnover of £55m (£50.5m).

Mr Michael Langdon, chief executive, said the results were on target.

The group has more than £15m in cash in addition to its 42 per cent stake in Capital Industries, the laminated paper maker. This is on the books at £7.6m, but has a market value of £22m.

"We have significant financial flexibility with which to take the business forward," said Mr Langdon yesterday. The group was actively looking for acquisitions.

Operating profits from the corporate finance and investment division rose from £704,000 to £1.36m, mainly representing the contribution from Capital Industries.

The contribution from Ben Shaw's, the Huddersfield soft drinks and water business, was marginal, but is expected to be better in the second half following the hot summer.

Earlier this year Rutland sold part of Ben Shaw's Pontefract canning line to Cott Corporation, a Canadian group which provides own-label colas for supermarkets. A further exceptional gain of about £2.7m is expected in the second half from the sale.

The asset financing division, which is involved in vehicle contract hire, almost quadrupled profits to £2.04m (£536,000) on the back of new business won and an increase in the value of second-hand cars.

Profits from professional services retreated from £2.4m to £1.08m, reflecting a cyclical setback at Ellis & Buckle, the chartered loss adjuster. However, the group believes Ellis will emerge from the downturn "as one of the pre-eminent loss adjusters."

Earnings per share rose from 0.93p to 1.08p. The interim dividend is 0.30p (0.27p).

Nat Express in black with £0.5m

By Peggy Hollinger

The long decline in the number of coach travellers has finally been reversed, according to National Express. The transport group yesterday announced a return to the black with interim pre-tax profits of £552,000.

The return, struck on sales up 31 per cent at £69.6m (£53.1m), compared with losses last year of £407,000.

Mr Adam Mills, deputy chief executive, said passenger numbers had increased by about 3 per cent throughout the group's network. This was the first rise for at least two years.

The benefit was being felt from people switching to coach services during the British rail strike, but the underlying trend was still an improved one, Mr Mills said.

However, the need to discount fares to meet competition from other coach operators and rail services meant that increased volumes had little effect on interim profits. On average, National Express cut fares by about 3 per cent, mostly in England.

The largest contribution to profits came from the group's newest business – East Midlands airport.

Purchased for £27m in August last year, it contributed £1.5m in operating profits. There were no comparative figures, although Mr Mills said much of the savings effected by National Express were being passed on to the airlines in an attempt to increase the volume of traffic through the airport. Passenger numbers rose 18 per cent.

The main UK coach business, known as National Express, reduced losses in the six months to June 30 from £1.5m to £869,000. The British Rail strike had little impact on first-half results, but was expected to benefit the latter part of the year.

The European coach operation benefited from the acquisition of a Dutch business. Operating profits rose by 16 per cent to £460,000.

The contribution from airport coach services almost halved from £182,000 to £93,000.

The dividend was increased by 8 per cent to 2.7p. Earnings per share of 1p compared with a loss of 0.5p last time.

● COMMENT

The rise in coach passengers might take some pressure off National Express, but not much. This is not a spectacular growth market, and price increases are difficult, if not well-nigh impossible. So the move into airports looks better all the time. Yet the company has found it much more difficult than it thought to follow its East Midlands success. Local authorities, which own many of the desirable airports, have been alerted to the potential value and prices are not cheap. Still, the benefits of East Midlands have not yet been fully realised and an acquisition is almost certain at some stage. Forecasts are for about £11.7m in profits this year, which leaves the shares trading on a prospective p/e of about 17 times. The premium rating is well-deserved.

Whatman hampered by Cyclopore

By Simon Davies

Whatman, the manufacturer of filtration and purification products, reported a drop in profits for the first six months of 1994, primarily attributable to losses from its recent acquisition, Cyclopore.

However, the company expressed its confidence in future profits growth by raising the interim dividend by 9 per cent to 3.6p (3.3p).

Pre-tax profits fell from £4.56m to £4.41m, in spite of an 8 per cent increase in turnover to £36.5m (£33.7m), but this was largely due to the impact of acquisitions.

Cyclopore, a Belgian membrane manufacturer acquired in November, lost £200,000, while German molecular biology company Biometra, acquired for £3.5m last year, achieved only break-even.

The company expected Biometra to produce "good profits in the second half", as it has a seasonal business pattern. Cyclopore is not expected to make a positive contribution until 1996.

Revenues, excluding acquisitions, increased by 4 per cent at constant exchange rates, with increases coming mainly from North America, where operating profit rose from £2.05m to £2.69m.

The UK International region, mainly continental Europe, suffered from production problems, which have now been overcome, but this resulted in a reduction in operating profit to £2.1m (£2.66m).

The company is currently working on a rationalisation of its North American business in order to reduce its cost base, and this will impact on second half revenues. However, Mr Andrew Smithers, chairman, said: "We anticipate that improved second-half trading in both North America and the UK International region will allow us to absorb the cost of this reorganisation."

At the half year stage, the company had net borrowings of £3m, representing gearing of only 6 per cent. It intends to make further acquisitions.

Earnings per share fell from 12.91p to 12.36p.

CMG rises 54% to £6.8m

By Alan Cane

Computer Management Group, one of Europe's largest privately-held computing services companies, pushed pre-tax profits from £4.4m to £6.8m at the halfway stage, an improvement of 54 per cent.

Turnover grew 13 per cent from £61.5m to £69.7m, while fully diluted earnings per share rose 59 per cent to 25.3p (15.9p). Operating margins improved to 9.5 per cent (6.8 per cent) and turnover per employee in the first six months grew to over £37,790.

CMG, with staff numbering over 2000, operates principally in the UK and continental Europe. It is likely to seek a London listing in the spring of next year, subject to market conditions.

Mr Douglas Gorman, chairman, said the improved results reflected a continuing demand for computing services throughout Europe.

"The Netherlands continues to be our largest market with 63 per cent of turnover and is growing strongly". The company is strong in mobile telecommunications with projects in Russia, Poland, Germany and Portugal.

Mr Gorman said that trading conditions were improving in the UK, while banking and consultancy services were developing well in Germany.

Bentalls cuts losses and expects fall in borrowings

By Richard Wolffe

Bentalls, the department store operator, reduced pre-tax losses from £419,000 to £343,000 after a seven per cent rise in turnover from £33.8m to £36.2m in the six months to July 30.

The group, which operates seven department stores in the south-east of England, reported an operating profit down from £480,000 to £365,000, because of a rebate on uniform business rates last year.

Bentalls expects that further successful appeals against uniform business rates will result in a credit of £1.15m in the second-half results.

The company anticipates a material reduction in net borrowings after a £4m refund of corporation tax and accrued interest from a capital allowance claim for the flagship store in Kingston upon Thames in Surrey.

Net interest payable was £708,000 (£899,000).

The group plans to spend £3m over the next 18 months refurbishing its branch stores to the standard of the Kingston store in the Bentall Centre development, which opened in November 1992.

The centre's retail space is 87 per cent let, but the company receives a minimum rental income of £1.65m a year under an agreement with its co-developer Norwich Union.

Mr John Ryan, finance and property director, said increased lettings in the Bentall Centre were now attracting customers away from other shopping centres in the region.

Despite posting losses per share of 0.55p (0.67p), the group maintained an interim dividend of 0.6p per share.

British Mohair rises by 51% to £1.4m

Textiles group British Mohair Holdings increased pre-tax profits by 51 per cent from £907,000 to £1.37m in the half year to June 30.

Turnover rose 14 per cent to £22.6m (£19.8m) including a UK contribution of £17.2m (£14.8m).

Mr Charles Fenton, chairman, foresaw a similar performance in the second half as "interest in mohair as a unique fashion fibre" continued to increase.

Earnings per share increased to 6.81p (4.43p) while the interim dividend remained at 1.4p.

COMPANY NEWS: UK

Significant turnround in North America behind 50% improvement

Logica advances to £13.5m

By Alan Cane

Profits before tax at Logica, the computing services company, rose 50 per cent in the year to June 30, after a significant turnround in North America, which saw the US operation in profit for the first time since 1989.

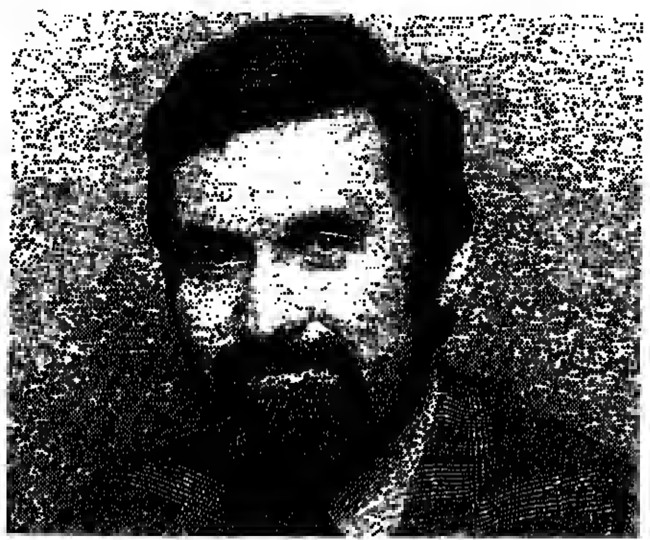
The result was ahead of market expectations and tbe shares rose 14p to 318p.

Mr Martin Read, chief executive, said the improvement was a result of rationalisation and restructuring, coupled with a powerful focus on key markets implemented by a new and effective management team.

Pre-tax profits cama in at £13.5m (£9m). In the UK, where Logica makes about half its sales, profits rose only marginally to £9.6m (£9.2m). The US, however, turned a £2.6m loss last time into a £300,000 profit.

In continental Europe, profits rose 38 per cent to £3.6m on strong underlying growth, but the company has still to improve its performance in the Asia Pacific region where a £300,000 loss was repeated.

Revenues grew five per cent to £228.8m (£217.4m). Earnings per share rose 61 per cent to 14p. A final dividend of 3.6p is recommended making a total of 5p – a 25 per cent rise.


Martin Read: still dissatisfied with 5.9% gross margin

Interest income halved to £495,000 (£942,000), a result of lower interest rates and a decline in average cash balances, which fell to £15.3m after a number of acquisitions. The tax rate, howevar, improved as overseas subsidiaries moved into profit, eliminating unrelieved tax losses.

Operating profits rose 61 per cent to £13m (£8m), but Mr Read said he was still dissatisfied with the 5.9 per cent gross margin. He believes it possible to improve margins to 10 per cent and above.

In tha second half of last year, UK margins rose from 7.4 per cent to 9.5 per cent, as restructuring and tighter operational control had their effect.

Logica is a broadly-based computing services group with its main activities in the finance, government, energy and telecommunications sectors.

● COMMENT

Martin Read has reasons to feel pleased, but not complacent, about his first 18 months at Logica. He has kept his promises, delivering improved growth and profitability in a steady, unspectacular way. His no-nonsense approach has proved effective in a company hitherto hetter known for chutzpah than tough management. Poorly performing Italian and German operations have been closed and the black hole of North America stopped at last. The company culture is changing. Mr Read believes he is half to two thirds of the way through the transformation. The company has won some significant orders, notably a key RAF logistics project and the order book is healthy. Nevertheless, the market remains fragile. Pre-tax profits of £18m or 18.6p of earnings are expected next year giving a prospective p/e of about 17. Good value, therefore, with an excellent 1996 in prospect if European and US economies hold steady.

NEWS DIGEST

Hawtal Whiting shares jump

Shares in Hawtal Whiting jumped by 65p to 285p after the motor indnstry design and engineering consultancy announced interim pre-tax profits quadrupled from £402,000 to £1.6m.

Turnover for the six months to June 30 rose by 18 per cent to £40.8m (£34.5m). Earnings per share came through at 12.8p (0.08p).

Mr John Whitecross, chairman, said that as an increasing number of automotive manufacturers implemented plans for product development the company could expect growth in its market.

Arthur Wood rises

Arthur Wood & Son, the earthenware product manufacturer, reported pre-tax profits up 15 per cent from £16,402 to £18,846 in the six months to June 30. Turnover rose 16 per cent from £1.53m to £1.78m, with a 53 per cent increase in exports.

Earnings per share rose slightly to 0.62p (0.55p).

Applied Distribution

Applied Distribution Group, which came to the market in March, announced a rise in pre-tax profits from £1.01m to £1.63m for the six months to July 2.

Turnover for the warehousing and distribntion gronp amounted to £15.3m (£12m). A dividend of 1.3p is being paid from earnings of 5.96p.

Jackson up 32%

Jackson Group, the construction concern, saw pre-tax profits rise by 32 per cent from £236,000 to £311,000 in the first half of 1994. Turnover on continuing operations grew 27 per cent to £33.5m.

Earnings per share improved to 0.9p (0.7p) and an unchanged interim dividend of 0.5p has been declared.

British Fittings up

British Fittings, the pipeline equipment, water products and metals distribution group, lifted pre-tax profits by 65 per cent, from £672,000 to £1.11m, in the half year to June 30.

Turnover edged ahead to £36.7m (£36.4m), including £1.37m from acquisitions. The interim dividend is lifted to 1p (0.75p), payable from earnings of 2.73p (1.71p) per share.

Folkes advances

Increased demand for engineering products and services and tbe absence of losses from Evertidy Furniture, following its disposal last autumn, resulted in a turnround at Folkes Group in the first half of 1994.

On sales of £19.2m, against £20.1m including £2.2m from discontinued activities, pre-tax profits were £1.3m (£200,000). In 1993 the engineering and property concern suffered a pre-tax loss of £1.72m.

The shares jumped 8p to 48p.

The interim dividend is increased to 0.592p (0.575p) on earnings per share of 2.58p (0.29p).

Swallowfield doubles

Pre-tax profits doubled at Swallowfield in the 24 weeks to June 18, from £522,000 to £1.04m. Turnover at the aerosols, toiletries and cosmetics manufacturer increased 24 per cent from £12m to £14.9m.

Earnings per share more than doubled to 5.6p (2.6p) and the interim dividend has been raised to 2.7p (2.2p).

Comp Fin Solutions

Computerised Financial Solntions, the computer software company which joined the USM in February, reported pretax losses of £36,000 for the half year to June 30, against profits of £77,000.

Turnover was £1.4m (£1.64m). Losses per share were 1.4p (earnings 1.5p).

Barlows in black

Barlows, the Chester-based property company, returned to profits in the six months to June 30 with £208,000 pre-tax against losses of £202,000.

Turnover was higher at £927,000 (£768,000) and there was a profit on sale of properties of £126,000, against a loss of £69,000. Earnings per share were 1.04p (losses 1p).

Glencar cuts loss

Glencar Explorations, the Dublin-based mineral exploration company, reported reduced losses of I£35,985 (£35,523) for the first half of 1994 against I£53,616. Its main interests are in evaluating gold finds in Ghana.

BZW Convertible

BZW Convertible Investment Trust reported net asset value down from 118.13p to 116.26p in the year to July 31.

Net revenue slipped from £4.3m to £3.98m and earnings per share were 7.84p (8.52p). The final dividend is 3.3p (same) for an unchanged total of 7.8p.

Kleinwort Smaller

Kleinwort Smaller Companies Investment Trust reported net assets down 13 per cent from 168.1p to 145.7p in the six months to July 31.

Net revenue dropped from a restated £231,000 to £149,000 giving earnings per share of 1.13p (1.75p). The interim dividend has been cnt to 1.1p (1.5p).

Warrants and Value

Net asset value per share at Warrants and Valne Investment Trust stood at 34.83p at June 30, a 12.8 per cent decline from 39.97p at end-December.

Net losses for the half year were £24,000, against revenne of £34,000 and losses per share were to 0.03p (0.04p earnings).

Bakyrchik Gold seeks net £25m in placing

By Kenneth Gooding, Mining Correspondent

Bakyrchik Gold, which so far has raised £11m for investment in a gold mine in Kazakhstan since it was floated in London a year ago, is raising a further £25.1m net via a conditional placing and a 3-for-5 open offer of 9.45m shares.

This is far below the £70m cash call that Bakyrchik had warned shareholders was on the way.

Mr David Hooker, chairman, said yesterday that shareholders had indicated they would prefer some bank debt to be raised for the project. They would also prefer not to hand over all the required cash at one time.

Mr Hooker thought Bakyrchik might raise debt of between £35m and £40m. Discussions with some banks had started bnt, althongh it appeared money might be available "on suitable terms," negotiations were not likely to be completed until the end of this year.

He said Bakyrchik was likely to ask shareholders for further funds as early as the middle of 1995.

Bakyrchik was floated at 120p a share. The price has been up to 405p and the placing is to be at 283p compared with 292p on Wednesday. The shares closed np 6¾p last night at 297p.

Tha company wants to develop further the Bakyrchik gold mine in a joint venture with the Kazakhstan government. The first stage set out to prove that it was possible to treat the sulphide ore from the mine by the Redox process.

Mr Hooker said that the Redox plant was still not operating on a continnous basis because it had experienced "typical start-up problems".

Production of 45,000 troy ounces of gold a year (including 30,000 ounces from the Redox plant) and a start on development of the underground mine were "the principal objectives for the next twelve months."

A feasibility study estimated that annnal gold prodnction from Bakyrchik's sulphide ore would be 265,000 ounces, against 230,000 ounces mentioned in the 1993 listing particulars. Sulphide reserves are estimated to contain 1.26m ounces of gold compared with 660,000 ounces previously. Gold in sulphide resources was estimated to be 8.6m ounces against 9.3m ounces.

The estimated cost of the second stage of development is now $102m (£66m) compared with $109.2m at the time of listing. Cash production costs are estimated at $142 an ounce compared with $147, among the lowest in the world.

Rates rebates help John Lewis to 74% advance

By Neil Buckley

John Lewis Partnership, the employee-owned departmant store and supermarket group, yesterday provided further evidence of the turnround in its fortunes with a 74 per cent rise in pre-tax profits from £16.4m to £28.6m for the half year to July 30.

The increase was flattered by the receipt of rates rebates following successful appeals against valuations of some stores this year.

Last year's figures were also depressed by exceptional costs relating to the start-np of a Waitrose distribntion centre and an accelerated depreciation charge on check-out equipment.

John Lewis refused to give figurea for tbe exceptional items, but said that taking them into account, the underlying increase in pre-tax profits was about 33 per cent. Trading profits, after pension costs, increased from £28.5m to £40.8m, while interest charges rose slightly from £12m to £12.1m.

Mr Stuart Hampson, chairman, said strong sales increases in the group's 22 department stores and 109 Waitrose supermarkets, as well as in its textile and furniture manufacturing businesses, coupled with costs beld at last year's level, were responsible for the improved performance. "We should be well pleased with the progress made in improving our profit," he said, although he advised partners to "keep their feet firmly on the ground".

He added that this week's rise in interest rates had not changed his view that "national economic conditions look set fair – not too much growth, not too little", but the rail strike was disrupting sales.

Group sales for the half year increased from £1.13bn to £1.19bn. Sales in the department stores increased by 6.5 per cent to £567.3m (£532.5m). Mr Hampson said the stores had "weathered the anticipated storm of the April tax increases" and furniture sales had been particularly strong.

Sales in the Waitrose supermarket chain increased by 3.8 per cent from £577.3m to £599.3m. Only 0.5 percentage points of the increase was accounted for by inflation, with one new store opening during the period.

Mr Hampson said the installation of check-out scanning in many stores had had a positive impact on sales, and Waitrose would also benefit from the decision to open stores on Sundays following the partial deregulation of Sunday opening. Three new stores will open during the second half.

Sales in the wholesaling and manufacturing division increased from £17.6m to £21.3m, with sales outside the partnership up 20 per cent.

Associated Newspapers buys Australian radio stake

By Nikki Tait in Sydney

Associated Newspapers, the UK media group whose newspaper interests include tbe Daily Mail and Mail on Sunday, yesterday acquired a 10 per cent stake in Austereo, the Australian radio group which runs stations in Sydney, Melbourne, Canberra, Adelaide and Brisbane.

The stake was bought through a placement of 10m new ahares at A$1.15, costing Associated Newspapers A$11.5m (£5.46m).

The two companies said the investment followed discussions between them "over recent months", and that they planned a "long-term business relationship".

However, Associated's move comes at a time when bid speculation surrounds the Australian group. Melbourne-based Village Roadshow, which has radio interests alongside its larger cinema and theme park operations, has a 14 per cent holding in Austereo, and this week announced plans to raise A$230m of new funds, A$80m of which was conditional upon an unspecified "strategic investment" going ahead.

While Village - in which the UK's Anglia TV and Mr Kerry Packer's Nine Network hold minority stakes - has declined to detail its plans, there has been speculation that Austereo could be the target.

Earlier this week, Austereo, which only launched on the stockmarket in July, reported a loss of A$8.3m for 1993/4. The figure was in line with prospectus projections, however, and the company has forecast a A$13.9m after-tax profit for the current year.

The managing director of Associated Newspapers' radio division in the UK is Mr Charlie Cox, an Australian.

Tadpole expected to confirm US contract

By Alan Cane

Tadpole Technology, the Cambridge-based manufacturer of high-powered notebook computers, has confirmed that it expected shortly to announce a US defence-related contract worth millions of dollars over the next few years.

It also said that although its second half results would show significant increases in revenues compared with both the first half and the same period last year, the operating loss of £1.35m in the first half would not be reversed.

Mr George Grey, chief executive, said the announcement was being made because of press and other speculation.

Tadpole develops and mannfactures portable workstations, personal computers with the power of mainframe computers in a notebook-sized package.

Tadpole is already manufacturing a notebook based on a microprocessor developed by Sun Microsystems and it has recently started making a machine for International Business Machines. Earlier this year, the company announced a deal with Digital Equipment of the US for notebooks based on the Alpha microprocessor.

Mr Grey said there would be continued heavy investment in development as the company prepared for broader markets.

In the six months to March 31 revenue was £10.6m.

Sharp midway increase for Cala to £3.8m

Improved profitability in its Scottish market helped Cala, the Edinburgh-based housebuilder and property developer, to report a sharp increase in profits in the year to June 30.

The pre-tax figure jumped from £226,000 to £3.76m on sales little cbanged at £77.7m.

The dividend for the year has been increased by 22 per cent to 2.8p (2.3). This included a proposed final payout of 1.9p – 0.1p higher than forecast at the time of its rights issue in March.

Earnings per share were 7.25p (1.98p). Net borrowings at tbe year end were £4m (£11.1m).

CONTRACTS & TENDERS

MINISTRY OF FINANCE

SHORT TERM CONSULTANCY TO REVIEW THE CURRENT MALAWI GOVERNMENT BUDGETING SYSTEM

The Government of Malawi has obtained o loan from the World Bonk (IDA) m implement a Second Institutional Development Project. One of the components of the project is the strengthening of the Institutional capacity of the Ministry of Finance.

Under this Component, Government proposes to introduce a system of Forward Budgeting. Before this can be done, there is need to review the current budgeting system.

The Ministry nf Finance wishes to hire the services of a short term consultant tn review the current Government Budgeting System.

The Objectives of the Review are:

1. To evaluate hnw the programme budgeting system hss perfnrmed aince its inception in 1987 tn determine its strengths and weaknesses.
2. To review the effect nf the decentralised accounting system to Programme Budgeting. To examine linkages between the budgetary systems within the Ministry nf Finance and the line ministries.
3. To review the linkages that exist between the budget division of the Ministry of Finance and the Public Sector Investment Programme of the Ministry nf Economic Planning and Development.
4. To make recommendations on the aspects of the present system that can be incorporated into the forward budgeting system.

Areas to be Covered Include:

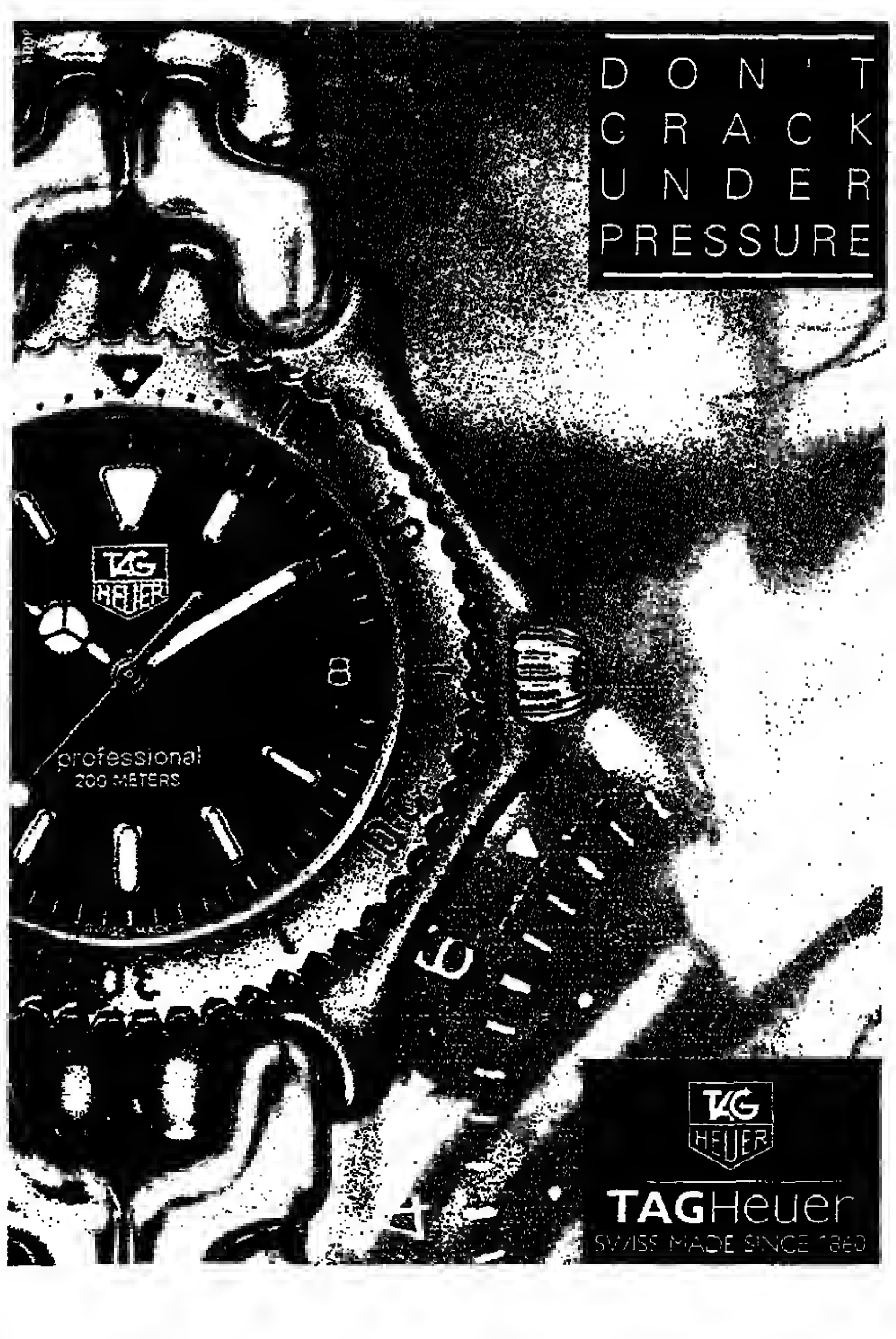
1. Resource Mobilisation - Review how resources are mobilised internally as well as externally by programme and what effect this has had on the budget since 1987.
2. Resource utilisation since the start of the programme budgeting, how allocation nf resnurces to prngrammes has affected attainment of goals by the ministries/departments.
3. Resource Management - This will involve a review of the decentralised accounting system which was implemented along with programme budgeting.
4. Linkages with the Public Sector Investment Programme - This will involve an analysis of the linkages between the budget cycle in the Ministry of Finance and the public sector investmeot programme (PSIP) in the Department nf Ecnnomic Planning and Development.

Interested consultants should snbmit their proposals on how they intend to carry out this assignment and the submissions should include cost budgets.

Applications should be sent to:

The Secretary to the Treasury
P O Box 30049
LILONGWE 3, Malawi
(Attentinn: Deputy Secretary (Budget))
Fax Nn: 010 265 781 679

CLOSING DATE: 3RD OCTOBER 1994



THE KOREA-EUROPE FUND LIMITED PRELIMINARY RESULTS

The Directors of The *Korea-Europe Fund Limited* announce the preliminary results for the year ended 30 June 1994 (subject to audit).

CAPITAL

	30 June 1994	30 June 1993
Assets applicable to ordinary capital	$273,464,000	$158,158,000
Net Asset value per share	$7.78	$5.51

During the year to the end of June 1994, the net asset value per share of The Korea-Europe Fuod rose by 41.2 per ceot compared to a rise in the KSE Composite Index in US Dollar terms of 24.1 per cent. This outperformance was due to the overweighting in blue chip manufacturing companies which performed particularly well during the period as domestic insitutional investors bought heavily in response to strong earnings growth and expectations of a relaxation of the foreign ownership restrictions.

In June, the fund raised a futher $50 million for investment in Korean equities through a placing of 6,457,500 new shares. This brought the total capital raised by the Company since launch in 1987 to $160 million. The new money raised was successfully invested in the market during June and July.

EARNINGS AND DIVIDENDS

In connection with the share issue, a special interim dividend of one cent pers hare, in lieu of a final dividend, was paid on 8 June 1994 and the Directors are therefore not recommending the payment of a final dividend.

	Year Ended 30 June 1994 $'000	Year Ended 30 June 1993 $'000
Investment Income:		
Dividends	3,106	3,040
Interest	167	319
	3,273	3,359
Deposit Interest	88	40
Total Revenue	3,361	3,399
Administrative Expenses	2,292	1,866
Revenue Before Taxation	1,069	1,533
Taxation	545	610
Revenue Available for Shareholders	524	923
Amount absorbed by dividend	287	430
Earnings per Share	1.81 cents	3.22 cents
Dividend for the Year per Share	1.00 cents	1.50 cents

ANNUAL GENERAL MEETING

Thursday 20th October 1994 at the Company's registered office: **Barfield House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands**

The Annual Report and Accounts will be sent by mail to holders of registered shares at their registered addresses. Copies of the Annual Report will be made available to holders of depository warrants and to the public at the Company's place of business in England, **Senator House, 85 Queen Victoria Street, London EC4V 4EJ, from 28 September 1994.**

Equatorial and Luksic in Chilean copper venture

By Kenneth Gooding, Mining Correspondent

Chile, which already produces more than 25 per cent of the western world's copper, looks likely to get another big mining project. Equatorial Mining, an Australian company, and the Luksic group, one of Chile's biggest industrial organisations, are considering the joint development of their neighbouring copper deposits in the El Tesoro area, 150kms from Antofagasta.

Combining Equatorial's Leonor deposit with Luksic's Sorpresa that virtually surrounds it, would make it possible to develop a mine to produce at least 80,000 tonnes of copper cathode annually for a minimum of 12 years, Mr Peter McAleer, Equatorial's chief executive, said yesterday.

Talks were taking place with several major copper producers about the the possibility of bringing another group into the joint development.

The deposits lie on the same geographical fault line as the world's two biggest copper mines, Chuquicamata and Escondida, and is midway between them.

Nearly every mining company operating in Chile has staked some land in the area because the Leonor-Sorpresa copper is "exotic" – washed there from what must be a huge, high-grade deposit elsewhere, but probably close by. The big drawback is that the exotic copper is very difficult to release from the ore.

The Luksic group, founded by Mr Andronico Luksic, is heavily involved in Chile's copper business through its London-quoted Antofagasta Holdings, which produced about 77,000 tonnes of copper in that country last year. The Sorpresa project is held separately from Antofagasta.

Luksic already has found 100m tonnes of very high-grade – 2 per cent – copper, enough for a big mine.

Equatorial, having previously failed to convince the Luksic group to join forces, has been pressing on with its own plans for a mine to produce about 30,000 tonnes of copper a year for 10 years. AMP Society, Australia's biggest financial services group, owns 19.9 per cent of Equatorial, the maximum permitted level before a bid is triggered.

Chile's copper output exceeded 2m tonnes for the first time last year and the total is expected to keep rising to more than 3m tonnes by 2000.

Escondida, jointly owned by BHP of Australia, RTZ of the UK, and a Japanese consortium, is rapidly being expanded into the world's biggest copper mine and this year's new mines include Cerro Colorado, in which Rio Algom of Canada is the main shareholder, and La Candelaria, a joint venture between Phelps Dodge of the US and Sumitomo of Japan.

CAP boosts least efficient UK farmers, Touche Ross reports

By Deborah Hargreaves

Reform of the Common Agricultural Policy is giving a boost to Britain's least efficient farmers, according to a survey of 124 producers by chartered accountants Touche Ross.

The annual sample found that the first year of CAP reform had begun to close the income gap between the most and least profitable farm businesses.

Touche Ross's sample is grouped according to farm income with the farmers in the bottom 25 per cent recording losses for the past five years. These farmers showed a loss of £44 an acre in the 1992 harvest, but turned this into a profit of £17 an acre for last year's harvest.

However, the more profitable farmers in the top quartile of the sample showed an income boost of just £7 an acre during the same period – taking their income from £155 an acre to £162 an acre.

"There is no doubt that net farm incomes have risen generally because of the devaluation of sterling, but the most dramatic benefits have been seen by those farmers grouped in the bottom 25 per cent of our survey," said Mr Vincent Hedley Lewis, senior partner of Touche in Agriculture, the accountants' farming division.

Touche Ross believes the disparity between the rise in earnings for farmers at the top of the sample and those at the bottom arises from the European Union's set-aside policy.

All farmers are required to set aside, or lay fallow, 15 per cent of their land, but the most profitable farmers who are laying aside high-yielding land have the most to lose while set-aside payments are the same for all producers.

"I am concerned that the reforms to date have not done enough for the most efficient farmers. The EU is moving to a position where its farmers have to compete on world markets," said Mr Hedley Lewis.

"This means that minimizing the cost of production is vital, and that is what the most efficient farmers do best."

Touche Ross also said that overhead costs in farming continued to rise despite the reduced area farmed because of set-aside.

US maize set-aside of 5% expected

By Laurie Morse in Chicago

Faced with a near-record crop and mounting grain stocks, the US Department of Agriculture is expected to ask farmers to set aside, or lay fallow, 5 per cent of the land they ordinarily would plant to maize in 1995.

Grain analysts say that, if the current US maize harvest balloons to a record, the set-aside apportionment could rise to 7.5 per cent by mid-November.

The USDA is required to announce its preliminary set-aside requirement for maize by September 30 and can make adjustments until November 15. US farmers follow set-aside guidelines to be eligible for price support.

US farmers are set to harvest about 9.257m bushels of maize this autumn.

Farmers have known since May that they will not have to set aside any land for next year's wheat crop, a factor they see tied as much to the US government's desire to remain competitive in the world wheat markets as to any domestic supply management needs.

They have not been required to make idle wheat acres under the so-called Acerage Reduction Program since 1992, when there was a 5 per cent set-aside.

US wheat stocks have risen steadily from 472m bushels in 1991 to a projected 581m bushels this year.

FT GOLD INDEX

The Financial Times Gold Mines Index committee decided yesterday that Highlands Gold would be removed from the index on October 1 as it no longer met the production criterion.

India opts for organic cotton

Kunal Bose says world demand has dictated the eco-friendly move

Growing international demand for fabrics produced from organic cotton, rather than environmental purism, has prompted India to grow cotton without using chemicals.

The federal government with the support of agencies at state level has identified 1,000 hectares of land in Rajasthan and Madhya Pradesh for producing organic cotton on a pilot scale.

Mr S. Sathyam, secretary for textiles, says: "We hope to be able to prevail upon a large number of farmers to take to the organic way of growing cotton. This, however, is not going to be a simple exercise since cotton productivity, which already is low in India, will fall in the first year of organic cultivation."

Apart from the lower initial yield, the labour costs of organic farming are higher. The growers will also not be getting any premium for their efforts until the chemical residues in the land fully disappear. But farmers will not have to spend money on fertilisers and pesticides.

India has nearly 8m hectares, or 5 per cent of the total cropped area, under cotton. But the cotton crop, which varies annually from 11.5m bales of 170kg each to 13.5m, accounts for more than 50 per cent of the country's pesticides consumption. Cotton is, therefore, seen as India's most polluting crop.

However, in spite of intensive spraying of cotton fields with pesticides, the standing crop remains vulnerable to attacks by boll worm and white fly which have developed resistance to chemicals. In many Indian cotton growing centres, the pesticide use has led to the elimination of insects which used to keep the pests in check.

The campaign will depend on convincing farmers that fertility of their land will not be affected by non-use of chemicals

The success of the campaign to promote the cultivation of organic cotton will largely depend on the ability of the agricultural extension officers to convince the farmers that the non-use of chemicals will not affect the fertility of land, and on the government offering a package of incentives for the changeover to the new methods of cultivation.

Cotton growers, who mainly have small holdings, will need financial assistance to construct compost pits and buy bio-pesticides and sprayers.

Officials say that India, which exported nearly 180m kg of cotton yarn in the year to March 1994, has been regularly receiving enquiries about yarn made from organic cotton. As a result, quite a few Indian textile companies have decided to tell the farmers to produce organic cotton for them.

A start has already been made. Maikaal Fibres has been able to motivate nearly 570 farmers in Madhya Pradesh to commit about 550 hectares to organic cotton cultivation. Mr Mrigendra Jalan, the managing-director, says: "We have given assurance to the growers that we will be buying the entire production of organic cotton at a 20 per cent premium over cotton grown by using chemicals.

"Since organic cotton will give a better return and it is possible to grow crops like groundnut, soya bean, sorghum and maize alongside organic cotton, the new experiment should succeed in India. We have been inspired by the success of the US, Paraguay and Egypt in growing organic cotton."

Officials believe that it is imperative to have an agency to certify the "genuineness of organic cotton". It is also important, they emphasise, that the mills planning to use organic-cotton should arrange to make spot checks throughout the season to ensure that no chemicals are used. Organic cotton will be used exclusively to produce yarn for the export market. Quality, therefore, will be a basic preoccupation.

Mr Sathyam explains that India, encouraged by the success of the US, had also decided to grow naturally-coloured cotton which fetches a very high premium in the overseas market.

India has failed to get the hybrid seeds and technology from the US needed to grow cotton in six different shades

There has, however, been a setback in the programme since India failed to get the hybrid seeds and technology from the US to produce cotton in six distinct shades. The government, therefore, has decided to fund a biotechnology project so that seeds for naturally-coloured cotton are locally produced. The coloured cotton makes the dyeing of yarn and fabric redundant. And that, too, is considered eco-friendly.

Wood chip shortage threat to BC pulp mills

By Bernard Simon in Toronto

A severe shortage of wood chips is threatening the closure of several British Columbia pulp mills, and has given a further twist to the upward spiral in pulp and paper prices.

Chip prices on Canada's west coast have doubled since May from C$60 (£28) to about C$120 per bone-dry unit (BDU), which weighs about two tonnes. One sign of the shortage is a sharp drop in chip exports, mainly to Japan.

Mr Tony Jarrett, president of Fibreco Export of Vancouver, estimated that shipments next year would fall to 185,000 BDUs in 1995 from 400,000 BDUs in 1992.

According to Pulp and Paper Week, a trade publication, two mills in British Columbia have already closed due to a shortage of chips. BC is the world's biggest producer of pulp traded on open markets.

Mr David Pineault, an economist at Resource Information Systems, a US consultancy, said that other mills were considering shutting down to build up chip stocks.

A number of mills are also said to be investigating the feasibility of importing chips or of installing their own chipping machines.

Most chips are presently produced by saw mills as a by-product. The fibre shortage has been caused by a variety of commercial and environmental pressures.

With lumber prices relatively high over the past 2-3 years, many saw mills have moved away from chips in favour of low-grade timber products, such as wooden pallets.

Declining chip production was masked until earlier this year by the deep slump in the pulp market. However, Canadian pulp mills' operating rates have climbed from around 80 per cent in mid-1993 to 98 per cent last July, reflecting a jump in pulp prices from US$390 (£252) per tonne to the present level of $700 per tonne.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1552-3	1576-7
Previous	1557.5-8.5	1582-3
High/low		1588/1575
AM Official	1560-1	1581.5-2
Kerb close		1580-2
Open int.	265,952	
Total daily turnover	47,078	

■ ALUMINIUM ALLOY ($ per tonne)

Close	1580-90	1595-605
Previous	1580-5	1583-8
High/low		1596/1585
AM Official	1585-95	1595-600
Kerb close		1600-10
Open int.	2,947	
Total daily turnover	571	

■ LEAD ($ per tonne)

Close	619-21	631-3
Previous	615-6	627.5-8
High/low	624	636/625
AM Official	623.5-4	634-4.5
Kerb close		624-5
Open int.	42,591	
Total daily turnover	7,024	

■ NICKEL ($ per tonne)

Close	6350-60	6450-60
Previous	6545-55	6645-50
High/low	6440	6600/6410
AM Official	6440-5	6540-1
Kerb close		6450-60
Open int.	63,054	
Total daily turnover	14,950	

■ TIN ($ per tonne)

Close	5240-50	5315-30
Previous	5300-5	5375-80
High/low		5345/5260
AM Official	5255-65	5330-5
Kerb close		5260-70
Open int.	16,976	
Total daily turnover	3,194	

■ ZINC, special high grade ($ per tonne)

Close	992-3	1014-4.5
Previous	993.5-4.5	1006-7
High/low	991	1019/1010
AM Official	990.5-1.5	1012.5-3
Kerb close		1015.5-6
Open int.	67,328	
Total daily turnover	21,413	

■ COPPER, grade A ($ per tonne)

Close	2471-2	2487-8
Previous	2497-8	2512-3
High/low	2483/2482	2505/2486
AM Official	2481.5-2	2499.5-500
Kerb close		2489-90
Open int.	218,105	
Total daily turnover	33,868	

■ LME AM Official £/$ rate: 1.5640
LME Closing £/$ rate: 1.5635

Spot:1.5635 3 mths:1.5616 6 mths:1.5577 9 mths:1.5522

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	low	Open int	Vol
Sep	119.80	-1.00	120.50	119.05	4,470	848
Oct	116.20	-1.00	115.80	115.40	1,719	561
Nov	116.10	-1.00	-	-	585	7
Dec	114.80	-1.00	115.75	114.20	39,840	6,799
Jan	114.40	-0.95	-	-	557	12
Feb	114.00	-0.90	-	-	426	14
Total					55,983	8,053

PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	388.00-388.50	
Opening	388.45-388.85	
Morning fix	387.80	247.922
Afternoon fix	388.00	248.288
Day's High	388.50-389.00	
Day's Low	386.90-387.20	
Previous close	390.30-390.70	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month ....4.35 6 months 4.58
2 months ....4.38 12 months 4.98
3 months 4.41

Silver Fix	p/troy oz.	US cts equiv.
Spot	344.75	539.50
3 months	349.50	546.00
6 months	354.60	552.85
1 year	366.50	570.15
Gold Coins	**$ price**	**£ equiv.**
Krugerrand	393-396	252-255
Maple Leaf	398.50-401.05	-
New Sovereign	90-93	58-61

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Sep	388.2	-0.9	-	-	2	4
Oct	388.9	-1.0	389.2	387.5	8,067	540
Nov	390.4	-1.0	-	-	-	-
Dec	391.8	-1.0	392.4	390.6	90,535	15,889
Feb	395.2	-1.0	395.4	394.2	13,632	283
Apr	398.5	-1.0	398.0	397.4	8,816	51
Total					158,239	17,847

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

Oct	411.0	-2.7	411.5	407.5	13,826	3,180
Jan	416.3	-2.4	418.0	410.5	8,161	1,032
Apr	418.6	-2.5	417.0	416.5	2,103	56
Jul	422.1	-2.5	-	-	464	3
Oct	424.8	-2.5	425.0	425.0	229	2
Total					24,783	4,273

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

Sep	149.10	+0.02	-	-	41	5
Dec	149.85	+0.60	151.00	148.50	5,863	712
Mar	150.60	+0.60	151.25	150.00	979	3
Jun	151.00	+0.02	-	-	152	1
Total					7,035	721

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

Sep	537.0	-5.0	539.0	537.5	540	56
Oct	538.0	-5.2	538.0	538.6	7	2
Nov	541.0	-5.2	-	-	-	-
Dec	543.5	-5.2	547.0	541.0	82,833	8,356
Jan	545.9	-5.2	-	-	58	1
Mar	551.7	-5.2	556.0	550.0	9,115	375
Total					108,158	[illegible]

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Oct	16.00	+0.60	16.45	16.53	44,067	40,515
Nov	16.00	+0.03	17.02	16.75	82,443	48,825
Dec	17.17	+0.01	17.24	17.08	57,868	26,330
Jan	17.28	+0.03	17.40	17.25	36,497	12,192
Feb	17.39	+0.03	17.47	17.30	20,975	2,733
Mar	17.45	+0.03	17.40	17.48	15,152	3,153
Total					366,938	148,702

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Oct	15.52	+0.10	15.59	15.35	45,319	19,846
Nov	15.79	+0.06	15.87	15.66	61,738	33,236
Dec	15.99	+0.04	16.04	15.82	30,203	8,920
Jan	16.16	+0.02	16.12	16.03	12,315	2,259
Feb	16.17	+0.02	16.17	16.16	6,936	546
Mar	16.20	-	16.21	16.20	6,409	170
Total					170,886	64,812

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Oct	47.00	+0.07	47.45	46.80	36,880	16,420
Nov	48.06	-0.05	48.50	47.00	23,073	8,030
Dec	49.30	-0.15	49.75	49.10	40,864	9,297
Jan	50.25	-0.05	50.65	50.15	23,389	5,032
Feb	50.90	+0.10	51.15	50.80	12,450	2,788
Mar	50.55	-	50.85	50.55	10,061	2,864
Total					171,135	47,249

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Oct	147.75	-1.00	148.75	147.00	1,444	6,969
Nov	150.50	-1.75	151.75	150.00	34,786	2,921
Dec	153.00	-1.50	153.75	152.75	16,823	2,259
Jan	154.75	-1.75	155.25	154.25	20,362	353
Feb	155.25	-2.00	155.75	155.00	13,137	289
Mar	155.25	-1.75	155.75	154.75	4,735	785
Total					102,861	13,591

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	Day's change	High	Low	Open int	Vol
Oct	1.676	-0.009	1.730	1.675	28,880	11,750
Nov	1.920	-0.001	1.955	1.925	23,986	4,970
Dec	2.125	+0.009	2.140	2.120	27,034	1,777
Jan	2.147	+0.001	2.165	2.147	15,144	624
Feb	2.080	+0.012	2.085	2.080	12,583	659
Mar	2.020	+0.009	2.030	2.020	9,749	386
Total					189,741	21,265

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Oct	44.30	+0.65	44.40	43.70	23,570	21,345
Nov	44.80	+0.59	44.80	43.95	18,364	11,478
Dec	52.20	+0.19	52.80	52.10	9,458	8,134
Jan	51.00	+0.49	52.05	51.00	6,361	3,057
Feb	52.40	+0.59	52.20	52.20	3,882	410
Mar	52.50	-	-	-	929	280
Total					67,526	44,066

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Sep	106.45	-0.05	-	-	186	-
Nov	107.80	-0.05	108.25	107.75	2,882	160
Jan	109.80	-0.05	110.25	109.85	1,816	37
Mar	111.90	-	112.25	111.90	1,088	42
May	114.05	-	114.35	114.00	1,252	42
Jul	115.95	-0.35	116.00	116.00	257	10
Total					7,286	291

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

Sep	370/4	-6/4	376/0	370/0	874	51
Dec	383/4	-9/2	391/0	382/0	47,786	3,382
Mar	391/0	-6/4	397/0	389/4	17,898	569
May	377/2	-6/4	382/6	376/0	2,498	141
Jul	349/4	-3/6	353/0	349/0	3,570	197
Sep	355/0	-1/2	358/0	356/0	63	-
Total					72,299	4,342

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

Sep	217/2	-4/0	220/4	216/6	5,447	2,461
Dec	218/2	-4/0	221/0	218/0	134,195	14,511
Mar	228/2	-3/6	230/6	227/6	34,322	1,340
May	234/6	-3/4	236/6	234/4	13,694	486
Jul	239/2	-3/4	241/2	238/6	13,379	118
Sep	241/6	-3/4	242/6	241/0	923	73
Total					286,380	18,987

■ BARLEY LCE (£ per tonne)

Sep	102.75	+0.25	-	-	31	-
Nov	104.30	-0.20	104.60	104.40	469	16
Jan	106.60	-0.05	106.60	106.60	387	28
Mar	108.65	-0.45	108.65	108.65	79	10
May	110.60	-0.40	-	-	21	-
Total					1,087	81

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

Sep	564/0	-11/4	574/0	563/4	3,276	822
Nov	557/4	-11/4	568/0	556/0	77,626	9,563
Jan	568/6	-11/0	574/4	565/4	16,360	1,426
Mar	575/6	-11/2	583/4	574/0	8,107	639
May	583/6	-10/6	591/4	583/4	4,952	289
Jul	586/6	-10/4	596/4	588/4	8,800	636
Total					123,244	13,226

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

Sep	26.46	-0.34	26.70	26.25	3,556	486
Oct	25.91	-0.48	26.29	25.70	17,446	2,540
Dec	25.24	-0.70	25.82	25.08	41,398	3,896
Jan	24.90	-0.68	25.55	24.90	6,462	384
Mar	24.80	-0.67	25.20	24.80	7,780	297
May	24.39	-0.59	24.90	24.37	3,930	914
Total					83,714	8,741

■ SOYABEAN MEAL CBT (100 tons; $/ton)

Sep	169.3	-1.4	170.0	168.8	3,942	701
Oct	165.5	-1.7	166.8	165.2	13,361	1,749
Dec	165.8	-1.5	166.8	165.5	30,621	4,285
Jan	167.0	-1.3	168.3	167.0	8,960	759
Mar	170.4	-1.0	171.5	170.2	8,709	544
May	172.1	-0.9	173.4	172.0	5,013	334
Total					83,802	[illegible]

■ POTATOES LCE (£/tonne)

Nov	160.0	-	-	-	-	-
Mar	105.0	-	-	-	-	-
Apr	224.5	-2.0	227.0	223.0	1,480	133
May	240.0	-	-	-	-	-
Jun	107.5	-	-	-	-	-
Total					1,480	133

■ FREIGHT (BIFFEX) LCE ($10/index point)

Sep	1565	-3	1570	1565	363	26
Oct	1586	+9	1585	1580	833	27
Nov	1586	+11	1588	1575	110	18
Jan	1555	+16	1555	1545	596	13
Apr	1568	+8	-	-	374	-
Jul	1435	-5	-	-	80	-
Total					2,372	84

	Close	Prev
BFI	1527	1518

Wool
Prices for finer Merinos rose even more rapidly in the earlier Australian sale days this week, with broader types also doing it more gradually. The Eastern states market indicator ended at 829c/kg, compared with 780c/kg a week before. The Western states indicator rose strongly at the first Fremantle sale but the market was a little erratic at the close, 5 cents down on the day it still 25 cents higher than at the end of last week. With prices at least double those a year ago, and for finer Merinos much more than that, ther is resistance among wool textile manufactures and particularly UK home market retailers, but a rising market does involve small-scale but steady support even during the unhappier times.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Sep	984	+16	958	956	54	29
Dec	994	+10	997	985	27,887	938
Mar	1025	+16	1027	1016	38,079	497
May	1037	+10	1035	1030	11,598	194
Jul	1049	+8	-	-	5,665	-
Sep	1061	+7	-	-	9,220	-
Total					95,497	1,796

■ COCOA CSCE (10 tonnes; $/tonnes)

Sep	1300	+15	1310	1310	13	9
Dec	1350	+9	1355	1331	42,863	4,276
Mar	1397	+9	1400	1380	13,697	700
May	1422	+6	1424	1419	4,000	38
Jul	1450	+6	-	-	2,686	33
Sep	1470	+6	-	-	1,297	14
Total					72,981	5,149

■ COCOA (ICCO) (SDR's/tonne)

Sep. 14	Price	Prev. day
Daily	1007.70	1019.65

■ COFFEE LCE ($/tonne)

Sep	3990	+45	3975	3945	1,979	137
Nov	3877	+37	3905	3790	12,827	2,732
Jan	3827	+34	3870	3750	14,130	1,439
Mar	3749	+24	3785	3675	6,841	661
May	3698	+16	3715	3645	1,664	161
Jul	3691	+31	3690	3650	631	182
Total					37,782	5,282

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

Sep	206.50	-0.05	207.50	204.00	96	33
Dec	212.40	-0.30	214.25	208.00	23,220	8,604
Mar	216.00	-3.40	217.10	213.40	7,278	546
May	217.00	-3.40	216.00	214.40	3,076	201
Jul	216.00	-3.40	218.00	216.00	808	7
Sep	219.00	-3.40	-	-	375	[illegible]
Total					35,319	9,401

■ COFFEE (ICO) (US cents/pound)

Sep. 14	Price	Prev. day
Comp. daily	198.40	204.14
15 day average	195.61	194.73

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

Oct	12.94	+0.03	-	-	1,803	-
Jan	11.82	-	-	-	-	-
Mar	12.75	+0.07	-	-	00	-
Total					[illegible]	-

■ WHITE SUGAR LCE ($/tonne)

Oct	340.00	+1.50	-	-	1,082	298
Dec	332.50	+0.70	332.50	330.90	3,425	581
Mar	332.80	+0.30	333.00	331.00	7,473	359
May	332.80	+0.30	332.00	331.80	835	44
Aug	332.80	+0.70	332.40	331.50	736	35
Oct	315.80	-0.20	316.00	315.00	396	10
Total					13,893	1,297

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

Oct	12.82	+0.07	12.85	12.69	31,859	11,242
Mar	12.61	+0.02	12.66	12.46	87,594	19,406
May	12.65	+0.02	12.60	12.45	13,153	2,800
Jul	12.40	+0.02	12.44	12.33	8,054	1,430
Oct	12.22	+0.03	12.24	12.16	3,100	669
Mar	11.77	+0.03	11.75	11.72	750	140
Total					144,929	35,787

■ COTTON NYCE (50,000lbs; cents/lbs)

Oct	71.58	-0.84	72.42	71.50	2,926	507
Dec	70.88	-0.89	71.50	70.75	27,803	4,398
Mar	72.18	-0.54	72.75	72.00	9,774	641
May	73.23	-0.47	73.80	73.20	5,102	245
Jul	73.88	-0.45	74.30	73.90	3,511	13
Oct	70.60	-0.25	70.50	70.50	409	11
Total					58,676	[illegible]

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

Sep	84.00	-0.40	85.25	85.00	46	88
Nov	87.15	-0.80	88.45	87.10	12,031	737
Jan	90.75	-0.35	92.20	90.75	5,678	410
Mar	94.75	-0.59	96.05	94.75	3,760	222
May	98.25	-0.50	98.70	98.00	857	41
Jul	100.75	-0.75	-	-	496	1
Total					23,141	1,461

VOLUME DATA
Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Sep 15	Sep 14	month ago	year ago
2091.1	2112.4	2063.3	1635.4

■ CRB Futures (Base: 1967=100)

Sep 14	Sep 13	month ago	year ago
230.39	232.53	229.53	212.78

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Oct	69.425	-0.400	69.700	69.150	31,666	5,487
Dec	68.475	-0.625	68.975	68.325	19,903	3,946
Feb	67.500	-0.400	67.850	67.250	12,358	1,375
Apr	68.750	-0.375	69.100	68.550	8,468	707
Jun	66.000	-0.250	66.250	65.900	1,965	37
Aug	65.850	-0.050	65.850	65.500	932	10
Total					75,306	11,674

■ LIVE HOGS CME (40,000lbs; cents/lbs)

Oct	37.575	-1.075	38.600	37.550	11,062	2,339
Dec	38.425	-1.250	39.600	38.350	11,677	1,602
Feb	39.075	-0.750	39.800	38.900	3,396	470
Apr	38.775	-0.500	39.360	38.750	2,144	218
Jun	44.100	-0.350	44.400	44.000	998	23
Aug	43.100	+0.050	43.100	42.800	61	5
Total					29,278	4,671

■ PORK BELLIES CME (40,000lbs; cents/lbs)

Feb	40.200	-1.175	41.900	40.100	7,463	1,720
Mar	40.100	-1.225	41.850	40.075	616	53
May	41.000	-1.000	41.600	41.000	111	6
Jul	42.000	-1.200	42.800	42.000	139	3
Aug	41.250	-0.800	-	41.000	35	1
Total					[illegible]	1,783

LONDON TRADED OPTIONS

Strike price $ tonne	— Calls —		— Puts —	
■ ALUMINIUM (99.7%) LME	Oct	Jan	Oct	Jan
1550	85	85	21	51
1575	25	72	33	63
1600	16	61	46	76
■ COPPER (Grade A) LME	Oct	Jan	Oct	Jan
2400	95	139	11	54
2500	33	85	49	98
2600	70	48	122	160
■ COFFEE LCE	Nov	Jan	Nov	Jan
3600	351	414	60	187
3650	316	386	69	209
3700	283	358	106	231
■ COCOA LCE	Dec	Mar	Dec	Mar
975	55	102	36	52
1000	42	88	48	63
1050	24	66	80	91
■ BRENT CRUDE IPE	Nov	Dec	Nov	Dec
1600	85	-	-	66
1650	24	-	98	-
1700	16	-	-	-

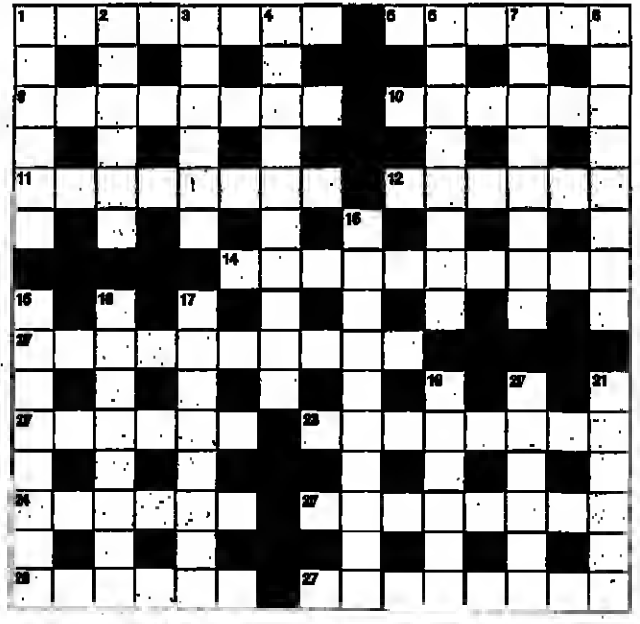
LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Nov)		+or-
Dubai	$14.72-4.77u	-0.055
Brent Blend (dated)	$15.26-5.28	-0.015
Brent Blend (Nov)	$15.76-5.78u	-0.085
W.T.I. (1pm est)	$16.91-6.93u	-0.110
■ OIL PRODUCTS NWE prompt delivery CIF (tonne)		
Premium Gasoline	$171-174	-2.0
Gas Oil	$147-149	-0.5
Heavy Fuel Oil	$71-74	
Naphtha	$155-158	
Jet fuel	$167-168	-1.0
Petroleum Argus assessments		
■ OTHER		
Gold (per troy oz)♣	$388.25	-2.25
Silver (per troy oz)♣	586.5c	-8.0
Platinum (per troy oz.)	$409.65	-7.85
Palladium (per troy oz.)	$148.75	-0.80
Copper (US prod.)	125.0c	+1.0
Lead (US prod.)	38.25c	
Tin (Kuala Lumpur)	13.39m	-0.02
Tin (New York)	242.5c	-4.0
Cattle (live weight)†©	113.69p	-2.39*
Sheep (live weight)†♠©	86.08p	-2.19*
Pigs (live weight)©	72.71p	-2.45*
Lon. day sugar (raw)	$314.90	+6.50
Lon. day sugar (wte)	$340.00	-4.0
Tate & Lyle export	£314.00	+4.00
Barley (Eng. feed)	Unq.	
Maize (US No3 Yellow)	$136.0	
Wheat (US Dark North)	£180.0	
Rubber (Oct)♥	86.50p	+2.00
Rubber (Nov)♥	86.50p	+1.00
Rubber KL RSS No1 Aug	323.50m	+2.50
Coconut Oil (Phil)§	$637.5z	+2.5
Palm Oil (Malay.)§	$625.0t	+5.0
Copra (Phil)§	$418.0	+24.0
Soyabeans (US)	£165.0u	
Cotton Outlook 'A' Index	76.10c	+0.15
Wooltops (64s Super)	476p	+9

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. u Nov. t Oct. z Sep/Oct. w Sep. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * Change on week. © Prices are for previous day.

CROSSWORD

No.8,560 Set by VIXEN



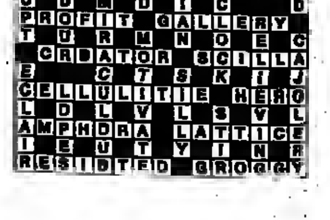
ACROSS

1 Getting rid of excess water, *creates A1 garden* (8)
5 Seafood obtained by double-dealing goody-goody (6)
9 He'll meet with argument about the spread (8)
10 The maggot is anything but aggressive (6)
11 Chastened tot – nicer maybe as a result (8)
12 The writer's otherwise sound (6)
14 The opposition deceive the nurses! (10)
18 Origin of certain dental treatment (10)
22 Mean, but not in a letter (6)
23 Get aid at getting organisation wound up (8)
24 Notes in bad though usable state (6)
25 *The pass is not perhaps for* one who's settled (6)
26 Serving men think to make good (6)
27 A fan sees a single act following (8)

DOWN

1 Immediate credit may be made available (6)
2 Giving a little weight in the ring appears very fair (8)
3 No body of volunteers trains together, that's official (6)
4 Actors get a specially designed type of warm clothing (10)
6 An open space – stick listening device in it (8)
7 *Many spoke but didn't speak* out plainly (8)
8 The impractical person is thought to heel over (8)
13 Good grip for use in defence (10)
15 Amble across an urban area in the Chilterns (8)
16 The usual range of colours (8)
17 Disorder in pound – a place of confinement (8)
19 Walk, having a street directory (6)
20 This fell sergeant, death, is — in his arrest *(Hamlet)* (6)
21 A *top man* tried *desperately*, encompassing nothing (8)

Solution 8,559



JOTTER PAD

LONDON STOCK EXCHANGE

MARKET REPORT

Futures lead a good recovery in the blue chips

**By Terry Byland,
UK Stock Market Editor**

A recovery in government bond prices yesterday, encouraged by better inflations news on both sides of the Atlantic, helped UK equities recoup a good part of the losses of the previous session. However, blue chip share prices were influenced by pressures linked to the expiry this morning of the September futures contract on the FT-SE 100-share Index. Today also brings similar futures expiries in New York and Frankfurt and equity strategists were wary of reading too much into trends in stock markets yesterday.

An early advance in the Footsie was trimmed at one time as investors took aboard the news of an unexpected fall of 0.3 per cent in August retail sales in the UK. This was good news for bond prices, however, and at the same time failed to upset shares in the leading store groups. The Bundesbank's decision to leave its key interest rates unchanged was no surprise to the London markets and had little effect on government bonds.

Gains were extended steadily as bonds moved higher, and the final reading of 3,112.7 gave the FT-SE 100 a net gain of 32.9. The recapture of the 3,100 mark was clearly led by the futures market; the September contract must stand in line with the underlying Footsie reading at the futures expiry just after 10.00 this morning.

Shares received a further boost in the afternoon when Wall Street put on 14 Dow points in its early response to a sharp fall in the pricing content of the Philadelphia Federal Reserve Bank's diffusion index. The Philadelphia Bank ascribed the fall to lower prices for oil and other raw materials, factors known to rate high on the Federal Reserve's list of inflation pointers.

This indication of reduced pressures for a furthor tightening in credit policy boosted global investment sentiment.

The Footsie was helped by strength in the leading oil issues as Shell Transport increased the dividend payout and analysts responded very favourably to a briefing by the directors of British Petroleum.

The recovery spread across the broad range of the stock market, taking the FT-SE Mid 250 Index ahead by 20.5 to 3,648.9; however, on Wednesday, this index lost 50 points as second line issues were marked lower in the wake of the drop by the blue chip sector.

Trading volume, as recorded by the Seaq electronic system, picked up to 589.9m shares, but was still unexciting by recent standards.

Non-Footsie stocks made up a fairly high portion, around 60 per cent, of total business. On Wednesday, when the Footsie plunged 41.6 following an unexpected gain in the headline rate of domestic inflation, retail business in equities was worth only £1.24bn, suggesting that selling had been modest.

Retail stocks closed higher on the day as many non-City economists suggested that the equity market had overreacted to the modest dip in the retail price index announced in the previous session. Sentiment was not upset by new comments on competitive pressures in the food industry from United Biscuits.

Bank shares also staged a successful rally from the previous day's losses, although traders admitted that the outlook for domestic interest rates had not changed overnight. Market analysts still divide into two camps – those who believe that this week's half-point rise in base rates will soon be followed by a further increase as economic recovery strengthens, and those who maintain that rates will not need to rise again this year.

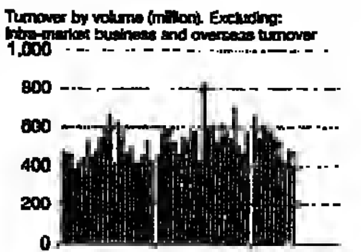
Fund managers are beginning to position their portfolios ahead of the closing of investment books on the third quarter of the year. This implies a greater focus on minor adjustments to portfolio weightings rather than on new investment directions, according to traders.

FT-SE-A All-Share Index

Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding: Intra-market business and overseas turnover



■ Key Indicators

Indices and ratios

FT-SE 100	3112.7	+32.8	FT Ordinary Index	2426.2	+28.8
FT-SE Mid 250	3648.9	+20.5	FT-SE-A Non Fins p/e	19.23	(19.07)
FT-SE-A 350	1570.2	+14.7	FT-SE100 Fut Sep	3116.0	+52.0
FT-SE-A All-Share	1559.98	+13.81	10 yr Gilt yield	8.88	(8.99)
FT-SE-A All-Share yield	3.85	(3.88)	Long gilt/equity yld ratio:	2.30	(2.30)

Best performing sectors

1	Gas Distribution	+3.2
2	Retailers, Food	+2.5
3	Water	+2.3
4	Tobacco	+1.4
5	Retailers, General	+1.4

Worst performing sectors

1	Media	-0.4
2	Transport	-0.1
3	FT-SE SmallCap ex IT	-0.0
4	Household Goods	-0.0
5	Life Assurance	+0.0

Market pleased by BP

The oil majors continued to attract heavy two-way activity, with British Petroleum, as had been expected, delivering all and more of the good exploration news that the market had been looking for at its meeting with analysts in London, and Shell Transport satisfying all but the super optimists with its interim payment.

BP's presentation coincided with news of an exciting gas discovery off the coast of Vietnam, a story which had been circulating in the market for some time, and went down very well with analysts.

One of the leading oil sector researchers described the presentation, delivered by Mr John Browne, head of BP's exploration and production, as the best he had ever attended and the first time BP "has ever demonstrated a credible long term growth plan in exploration; in the past, BP has talked about managing a decline in its exploration business, today it was full of information on its expansion plans".

Another analyst said he was "well satisfied" with the presentation but added that he would like to see evidence of renewed US support for BP shares. BP will deliver the same message to US investors today.

BP ended 3 up at 420¼p on turnover of 9.3m. Shell improved marginally to 722½p.

Food shares active

Reported comments by HJ Heinz, the US foods group, prompted a flurry of bid speculation that lifted shares in both Unigate, the dairy and distribution group, and Hazlewood, the diversified foods manufacturer.

Chief executive Mr Tony O' Reilly had, according to some press reports, approved acquisition of a baby foods group in Europe. The market immediately thought of Nutricia, the Dutch group, in which Unigate has a 34 per cent stake.

Unigate has long been rumoured to be keen to offload its Nutricia holding and the possible Heinz move gave a fillip to the story. Conspiracy theorists decided that Unigate would raise around £250m from the sale and use the cash to buy Hazlewood.

Consequently, Unigate shares rose 13 to 363p, while Hazlewood shrugged off the impact of a rather downbeat annual statement. Chairman Mr Peter Barr said first-half results would show a big drop from the previous year's after an extremely difficult start to the trading year.

However, Nutricia denied it had received an approach from the US group and several analysts were sceptical of a link-up between the two UK groups. Analyst Mr Carl Short of SGST said: "Unigate would probably not be interested in bidding for a business as diverse as Hazlewood."

APV trades heavily

Engineering group APV was yesterday's most actively traded share, down 35½ to 83p following a halved interim dividend. The half-year statement plainly caught the market on the hop and the day's turnover topped 13m shares.

Profits were ahead but the company spoke gloomily about the need to restructure its liquid food side and the squeeze on non-UK margins. Europe accounts for some 40 per cent of group sales.

T&N eased 5 to 220p on the news that it had taken a £100m plus option to buy a controlling stake in German car component group Kolbenschmidt. Market concern centred on the Germany company's heavy borrowings.

Rolls-Royce shed 1½ to 182½p, not helped by market talk of knock-on effect to RR of a Far Eastern airline going slow on payment for a large airline order.

NEW HIGHS AND LOWS FOR 1994

NEW HIGHS (29).

DISTRIBUTORS (2) British Fittings, Faber Prest, EXTRACTIVE INDS (6) ERGO, Elandsrand, Free State Dev., Harmony, Julia Mines, Kingstream, INVESTMENT TRUSTS (2) LEISURE & HOTELS (1) Aberdeen Steak Houses, OIL EXPLORATION & PROD (1) Ramco Energy, PHARMACEUTICALS (2) British Biotech, Do Wts., PRTNG, PAPER & PACKG (1) Elswick, RETAILERS, FOOD (2) Morrison (Wm), Do 5¼pc. Prf., RETAILERS, GENERAL (1) Brown (N), SPIRITS, WINES & CIDERS (2) Macallan -Glenlivet, Matthew Clark, SUPPORT SERVS (4) Hawtal Whiting, Logica, Manpower, Reliance Security, TEXTILES & APPAREL (1) Gent (SR), AMERICANS (2) Amer. Express, Nova Corp of Alberta, CANADIANS (1) Inco.

NEW LOWS (58).

BREWERIES (1) Fuller STA, BUILDING & CNSTRN (3) Laing (J), Do 6.4pc Prf., Tilbury Douglas, BLDG MATLS & MCHTS (4) Graham, Hepworth, Hewitt, Haywood Williams Prf., DISTRIBUTORS (6) Appleyard, Bletchley Motor, Inchcape, Lex Service, PCT, DIVERSIFIED INDLS (1) BTR Wrts., ELECTRNC & ELECT EQUP (2) Danka Bus. Systems, Vtech, ENGINEERING (3) APV, Hunting, Radiant Metal, EXTRACTIVE INDS (1) Anglo Pacific, FOOD MANUF (2) Danone, Golden Vale, HOUSEHOLD GOODS (2) Vymura, Wyefield, INSURANCE (3) Heath (CE), Marsh & McLennan, New London Capital, INVESTMENT TRUSTS (7) INVESTMENT COMPANIES (1) Beta Viet Nam Units, LEISURE & HOTELS (1) Kunick 8¼pc Prf., MEDIA (2) Birkdale, Blenheim, OTHER FINANCIAL (1) Johnson Fry, PHARMACEUTICALS (1) Elan, PRTNG, PAPER & PACKG (1) Watmoughs, PROPERTY (4) Barlows, Dunloe House, Slough Ests. 8¼p Prf., Southend, RETAILERS, GENERAL (3) Asprey, Body Shop Intl., Country Casuals, SUPPORT SERVS (3) ISS & JBA, Macro 4, TEXTILES & APPAREL (2) Albion, Foster (J), TRANSPORT (1) Vard, AMERICANS (2) General Host, Malvy Technology.

Unusual trading patterns in Zeneca saw the shares fall 5 to 830p in spite of announcements that the company had filed a new prostate drug application with the US Food and Drug Administration and appointed a new chairman designate, Sir Sydney Lipworth. The shares have outperformed the market recently, fuelled by bid hopes.

A vaccine tie-up between Medeva and SmithKline Beecham gave a boost to the former, up 9 at 151p. SmithKline "A" put on 6 at 434p.

Granada was the outstanding performer in an otherwise lacklustre leisure sector, with the shares staging a strong recovery after the recent bout of weakness which earlier this week drove the shares down to their lowest point since December 1993.

This had been caused by persistent suggestions that Granada was about to make a substantial acquisition, rumoured to be Gardner Merchant, the catering group.

Despite constant assurances from sources close to Granada that a move to buy Gardner was not about to happen the market remained unconvinced. But strong support for Granada shares from Hoare Govett, Granada's own broker, seemed to have allayed those fears yesterday. Granada shares closed 14½ higher at 490½p, after turnover of 2m.

Kwik-Fit, the motor sevrices group, bounced 6½ to 154p following good interim results which led some securities houses to edge up their full-year profits forecasts.

Troubled transport group Tiphook dipped 1 to 37p following one of the stormiest annual meetings of the year involving allegations from the floor.

Against the market trend, British Airways weakened further, dipping 4 to 389p.

Dealers noted persistent support for many of the building materials and construction shares after the damage inflicted on the sector by this week's rise in domestic interest rates. Demand was fuelled by a note issued by Credit Lyonnais Laing, the securities house, which said that "assuming the government's pre-emtive rate rise lessons the risk of a rerun of the boom to bust cycle, we believe it is too early to move underweight in the sectors and recommend a selective balanced portfolio.

Mirror Group shed 4 to 131p as analysts downgraded following the announcement of a sharp setback in interim profits and a warning that the newspaper price war would hit full-year profits by more than the market had anticipated. S.G. Warburg, which remained a buyer, nevertheless downgraded by £8.2m to £71.2m.

Courtaulds Textiles moved ahead 13 to 511p in spite of reporting a fall in interim profits to £10.1m from £13.7m.

Home furnishings group MFI rose 6½ to 142p on announcing that sales for the first 19 weeks of the current year were 10 per cent above the comparable period last year.

United Biscuits shed a penny to 319p on disappointment over half-year results.

Hawtal Whiting, the motor industry design and engineering consultancy, leaped 65 to 286p following a 400 per cent rise in first-half profits.

MARKET REPORTERS:
Steve Thompson,
Peter John,
Jeffrey Brown.

■ Other statistics, Page 19

EQUITY FUTURES AND OPTIONS TRADING

Stock index futures bounced back strongly yesterday, moving to a premium against the cash market for the first time in more than a week.

The September contract on the FT-SE 100 opened modestly higher but it took until lunchtime to break upwards through 3,100, by which time the underlying cash market was doing most of the pace-making.

At the close the index was at 3,116, with the relationship to the cash market firmly reversed to a premium of almost 2. Ahead of this morning's expiration of the September contract, the fair value premium was around zero.

The market consensus was that the index had been heavily oversold on Wednesday, and at one time yesterday the premium to the cash market was as high as 10. Once again the main drive came from independent traders.

Trading volume was substantially down from Wednesday's 23,000 lots at 16,886, about half of which reflected roll-over into the December contract where volume totalled 10,000.

Activity in traded options moved up strongly to 53,000 contracts, from some 40,000 the previous day. FT-SE and Euro FT-SE option volume accounted for some three-quarters of this trading. Vodafone (1,182 lots) and BP (1,000) were the most actively traded individual stock options.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	3081.0	3116.0	+52.8	3125.0	3076.0	18086	15414
Dec	3090.8	3125.8	+51.5	3135.0	3085.0	10765	44928
Mar	-	3151.0	+52.5	-	-	8	575

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	3640.8	3645.8	+25.0	3640.0	3640.8	250	2898
Dec	3663.8	3668.0	+26.0	3663.0	3663.0	250	2280

■ FT-SE MID 250 INDEX FUTURES (OMLX) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	-	3645.0	-	-	-	-	636

All open interest figures are for previous day. † Exact volume shown.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3113) £10 per full index point

	2950 C	2950 P	3000 C	3000 P	3050 C	3050 P	3100 C	3100 P	3150 C	3150 P	3200 C	3200 P	3250 C	3250 P	3300 C	3300 P
Sep	166	1	116	1	66	1	21	5	2	37	1	87	1	137	1	187
Oct	178½	15½	137½	24½	101½	38½	71½	58½	48½	84½	27½	115½	16	154	8	198½
Nov	198½	29½	162½	41	128	54½	97½	76	71½	101	51	131	35½	166	22	205
Dec	217	44½	180½	57½	148	75½	117½	96	91	119½	69	147½	50	179	35½	215
Jun†			270½	107½			211	145½			163	198½			117½	255½

Calls 11,582 Puts 9,601

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	2925 C	2925 P	2975 C	2975 P	3025 C	3025 P	3075 C	3075 P	3125 C	3125 P	3175 C	3175 P	3225 C	3225 P	3275 C	3275 P
Sep	191	1	141	1	91½	1	43	2½	8½	15½	1	59½	1	109½	1	159½
Oct	201½	13½	159½	21	121	32½	87½	48½	59	70	38	98½	22½	133	12½	172½
Nov	221	25½			145½	48½			94	86			41½	142½		
Dec	234	37			182½	64			103½	103½			58½	157		
Mar†	279	60			212½	90			154	129			108	180		

Calls 12,053 Puts 6,190 * Underlying index value. Premiums shown are based on settlement prices.
† Long dated expiry months.

■ EURO STYLE FT-SE MID 250 INDEX OPTION (OMLX) £10 per full index point

	3500	3550	3600	3650	3700	3750	3800	3850
Sep			50½ 1	13½ 14	1 52			

Calls 0 Puts 0 Settlement prices and volumes are taken at 4.30pm.

TRADING VOLUME

■ **Major Stocks Yesterday**

	Vol. 000s	Closing price	Day's change
ASDA Group†	8,100	67	+1
Abbey National†	3,700	408	+8
Albert Fisher	1,500	49	+1
Allied-Lyons†	2,100	582½	+6½
Anglian Water	561	539	+8
Argos	170	344	
Argyll Group†	2,900	282	+6
Arjo Wiggins†	597	273	+1
Assoc. Brit. Foods†	127	572	+8
Assoc. Brit. Ports	806	275	+3
BAA†	1,400	481	-4
BAT Inds.†	3,400	421	+6
BET	1,900	103	-3
BICC	777	385	+1
BOC†	372	730	+10
BP†	9,300	420½	+3
BPB Inds.	4,400	294	+2
BT†	14,000	385½	+6
BT (P/Paid)	11,000	267	+6½
BTR†	7,800	326	+5
Bank of Scotland†	2,000	202	-1
Barclays†	7,000	594	+9
Bass†	863	555½	+3½
Blue Circle†	2,000	295	+2
Booker	835	460	+22
Boots†	917	540	+8
Bowater†	2,100	478	+3
Brit. Aerospace†	506	485	+7
British Airways†	7,300	389	-4
British Gas†	5,600	289½	+8½
British Land	156	389	+3
British Steel†	5,900	154½	+5½
Bunzl	625	166	+2
Burmah Castrol†	127	839	+8
Burton	2,600	63	+½
Cable & Wire†	4,500	412	-1
Cadbury Schweppes†	811	484	-8
Calor Group	232	257	+3
Caradon†	1,600	290	+6
Carlton Comms.†	1,000	873	-2
Coats Viyella†	4,100	214	-1
Comm. Union†	715	527	-1
Cookson	2,200	244	-1
Courtaulds†	456	485	-1
Dalgety	317	473	+8
De La Rue†	216	950	-4
Dixons	851	195	+5
Eastern Elect.	1,000	764	+12
East Midland Elec.	782	716	+4
Eng China Clays	918	373	-6
Enterprise Oil†	1,200	408	-1½
Eurotunnel Units	156	276	+6
FKI	139	174½	+1
Fisons	1,300	125	+2
Foreign & Col. I.T.	668	141	+3½
Forte†	2,300	227	+6
Gen. Accident†	212	561	+3
General Elect.†	2,200	288	+4
Glaxo†	2,900	601	+5
Glynwed	246	338	-4
Granada†	2,000	490½	+14½
Grand Met.†	3,700	417½	+9½
GUS†	1,400	548	+12
GRE†	1,000	189	+3
GKN†	1,400	613	+11
Guinness†	2,100	467½	+3½
HSBC (75p shs)†	1,400	728	+6
Hammerson	409	332	+1
Hanson†	10,000	242	+2
Harrisons Crosfield	735	177	+2
Hays	457	280	
Hillsdown	2,100	182	+4
IMI	94	308½	
ICI†	1,400	844	+18
Inchcape†	3,200	418	+3
Johnson Matthey	206	584	+2
Kingfisher†	1,300	502	+14
Kwik Save	361	609	+7
Ladbroke†	2,300	161	
Land Securities†	1,000	611	+2
Laporte	384	781	-4
Legal & General†	1,400	456	+3
Lloyds Abbey	444	361	
Lloyds Bank†	2,300	556	+13
LASMO	2,100	158	+3
London Elect.	579	694	+3
Lonrho	817	132½	+1
Lucas	732	192	+3
MEPC†	280	430	+2
MFI	5,600	141	+5½
Manweb	1,300	832	+4
Marks & Spencer†	3,600	410	+4
Midlands Elect.	422	768	-6
Morrison (Wm.)	858	148	+4
NFC†	1,800	168	-1
NatWest Bank†	3,200	497½	+10½
National Power†	952	475	+2
Next	1,400	258	+6
North West Water†	883	550	+18
Northern Elect.	467	791	-2
Northern Foods†	1,700	208	+3
Norweb	412	786	+2
Pearson†	753	667	+9
P & O†	3,000	665	+6
Pilkington	9,900	190½	+3½
PowerGen†	644	554	
Prudential†	3,300	313	-1
RMC†	253	983	+7
RTZ†	1,200	871	+10
Racal	934	239	+6
Rank Org.†	1,700	404	+2
Reckitt & Colman†	1,200	585	
Redland†	675	515	+10
Reed Intl.†	1,300	761	
Rentokil†	423	234	+3
Reuters†	4,100	476	-6
Rolls Royce†	5,100	182½	-1½
Ryl Bk Scotland†	532	415	+2
Royal Insurance†	1,600	287	+1
Sainsbury†	1,100	444	+11
Schroders	95	1520	
Scottish & New.†	841	508	
Scot. Hydro-Elect.	1,200	387	+3
Scottish Power†	782	380	+8
Sears†	4,500	116½	+2
Sedgwick	1,500	164	
Seeboard	427	424	-1
Severn Trent†	905	539	+10
Shell Transport†	4,800	722½	+½
Siebe†	1,400	550	+14
Slough Ests	579	233	+6
Smith (W.H.)	1,000	485	-1
Smith & Nephew†	1,800	147½	+1
SmKl Beecham†	1,700	434	+6
SmKl Beecham Uts.†	485	394	+6
Smiths Inds.	297	443	-1
Southern Elect.†	1,100	738	+4
South Wales Elect.	313	915	
South West Water	450	535	+7
South West. Elec.	265	760	-1
Southern Water	577	563	+19
Standard Chartd.†	1,200	282	+6
Storehouse	1,600	208	+3
Sun Alliance†	2,500	323	+10
T&N	821	220	-5
TI Group†	527	371	+4
TSB†	3,700	220½	+3½
Tarmac	1,400	147	+6
Tate & Lyle	572	447	+3
Taylor Woodrow	117	132	+1
Tesco†	4,400	251	+9
Thames Water†	1,400	533	+15
Thorn EMI†	1,000	1021	+9
Tomkins†	1,600	229	+2
Trafalgar House	2,500	91	+2
Unigate	2,100	363	+13
Unilever†	1,200	1121	+3
United Biscuits†	2,000	319	-1
Utd. Newspapers	456	515	+3
Vodafone†	9,100	191	+1
Warburg (SG)†	461	727	+10
Wellcome†	295	680	-2
Welsh Water	119	657	+15
Wessex Water	221	615	+2
Whitbread†	554	545	+7
Williams Hdgs.†	3,000	345	-4
Willis Corroon	2,200	154½	-7½
Wimpey	1,100	152	-2
Wolseley†	781	739	+8
Yorkshire Elect.	676	734	-3
Yorkshire Water	571	533	+10
Zeneca†	554	830	-5

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down. † Indicates an FT-SE 100 index constituent.

FT-SE Actuaries Share Indices — The UK Series

	Sep 15	Day's chge%	Sep 14	Sep 13	Sep 12	Year ago	Div. yield%	Earn. yield%	P/E ratio	Xd adj. ytd	Total Return
FT-SE 100	3112.7	+1.1	3079.8	3121.4	3128.8	3003.9	4.07	6.80	17.14	91.70	1173.67
FT-SE Mid 250	3648.9	+0.6	3628.4	3678.1	3713.3	3421.2	3.39	5.76	20.82	92.58	1356.18
FT-SE Mid 250 ex Inv Trusts	3648.3	+0.5	3628.2	3679.1	3715.8	3437.0	3.54	6.23	19.36	95.75	1351.93
FT-SE-A 350	1570.2	+0.8	1555.5	1576.6	1582.9	1505.5	3.91	6.63	17.87	44.79	1211.28
FT-SE SmallCap	1879.89	....	1879.72	1891.49	1899.35	1769.01	3.04	4.19	30.59	39.60	1455.00
FT-SE SmallCap ex Inv Trusts	1848.42	....	1846.97	1859.54	1867.23	1771.31	3.22	4.63	28.20	40.62	1434.29
FT-SE-A ALL-SHARE	1559.98	+0.9	1546.37	1566.58	1572.85	1493.42	3.85	6.45	18.43	43.87	1224.04

■ FT-SE Actuaries All-Share

	Sep 15	Day's chge%	Sep 14	Sep 13	Sep 12	Year ago	Div. yield%	Earn yield%	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(18)	2745.59	+0.5	2732.66	2758.56	2756.91	2265.50	3.28	5.04	25.02	54.77	1094.00
12 Extractive Industries(4)	3950.39	+0.8	3917.81	3972.32	4019.79	3176.00	3.25	5.09	24.59	54.24	1078.04
15 Oil, Integrated(3)	2695.35	+0.4	2684.52	2703.44	2699.65	2202.70	3.41	5.58	22.32	59.89	1097.65
16 Oil Exploration & Prod(11)	1989.78	+0.4	1982.12	2010.76	1998.06	1855.70	2.09	‡	‡	20.96	1141.22
20 GEN MANUFACTURERS(263)	1946.40	+0.7	1932.57	1958.65	1969.74	1874.50	3.92	4.80	24.79	54.67	988.78
21 Building & Construction(32)	1118.41	+0.6	1112.81	1130.34	1148.69	1138.18	3.49	4.77	27.06	23.86	871.17
22 Building Matls & Merchs(31)	1892.68	+0.9	1877.82	1909.54	1919.57	1805.40	3.80	4.58	27.04	47.58	887.02
23 Chemicals(22)	2459.02	+0.8	2438.33	2448.31	2456.60	2221.90	3.78	4.15	30.34	74.17	1088.73
24 Diversified Industrials(16)	1871.05	+1.1	1850.58	1880.75	1893.70	1943.00	4.89	4.96	24.06	87.10	954.12
25 Electronic & Elect Equip(34)	1944.09	+0.8	1927.87	1952.06	1960.60	2085.70	3.87	5.49	18.38	55.36	949.73
26 Engineering(70)	1844.16	+0.4	1837.52	1860.90	1874.44	1632.30	3.06	4.65	24.43	41.95	1051.92
27 Engineering, Vehicles(12)	2297.94	+0.4	2288.97	2319.41	2319.63	1909.30	4.52	2.51	56.76	70.37	1113.00
28 Printing, Paper & Pckg(26)	2882.30	+0.3	2873.14	2918.62	2930.37	2424.10	2.97	5.18	22.75	63.21	1131.31
29 Textiles & Apparel(20)	1685.18	+0.1	1683.18	1698.72	1697.50	1604.40	3.89	6.60	18.54	40.49	949.13
30 CONSUMER GOODS(97)	2769.14	+1.0	2741.82	2778.43	2782.01	2762.40	4.29	7.29	15.89	86.34	949.83
31 Breweries(17)	2260.30	+0.5	2250.18	2271.41	2297.87	2070.18	4.16	7.57	16.04	81.09	1012.52
32 Spirits, Wines & Ciders(10)	2849.39	+1.3	2812.15	2868.44	2881.94	2802.30	3.88	8.75	17.17	89.92	955.19
33 Food Manufacturers(23)	2361.03	+1.2	2332.35	2368.77	2371.06	2305.40	4.11	7.86	15.20	71.13	980.17
34 Household Goods(13)	2459.19	....	2459.28	2471.77	2482.76	2561.60	8.66	7.37	18.24	54.52	877.45
36 Health Care(21)	1669.90	+0.1	1667.79	1672.71	1680.40	1705.80	2.99	3.23	43.47	35.80	965.33
37 Pharmaceuticals(12)	3055.42	+0.9	3028.65	3058.63	3063.46	3044.40	4.31	7.09	16.48	78.68	962.40
38 Tobacco(1)	3531.81	+1.4	3481.47	3544.39	3607.31	3966.80	8.14	9.73	11.03	217.07	805.63
40 SERVICES(216)	1956.34	+0.9	1939.80	1960.93	1965.35	1896.80	3.14	6.13	19.65	42.78	958.01
41 Distributors(31)	2569.02	+0.8	2555.47	2617.77	2648.46	2725.30	3.54	6.93	17.03	64.58	867.40
42 Leisure & Hotels(24)	2075.46	+1.1	2053.57	2086.31	2107.49	1944.60	3.35	4.67	25.05	48.93	1021.73
43 Media(38)	2846.66	-0.4	2856.66	2892.07	2901.79	2508.70	2.42	5.29	21.89	64.57	968.77
44 Retailers, Food(16)	1860.29	+2.5	1814.66	1827.53	1824.06	1818.80	8.45	8.48	14.60	48.18	1109.57
45 Retailers, General(45)	1661.28	+1.4	1638.11	1657.94	1665.93	1658.40	3.15	6.47	19.20	35.95	885.05
48 Support Services(40)	1562.78	+0.3	1558.41	1572.87	1577.14	1619.80	2.54	6.04	19.54	26.78	946.95
49 Transport(16)	2310.41	-0.1	2312.66	2321.56	2294.50	2251.18	3.64	5.24	22.19	43.51	901.02
51 Other Services & Business(8)	1296.56	+0.6	1288.80	1302.62	1304.83	1297.70	3.91	2.15	80.00†	21.48	1110.04
60 UTILITIES(36)	2406.09	+1.2	2377.52	2414.93	2422.29	2300.00	4.38	7.81	15.59	73.42	926.82
62 Electricity(17)	2515.06	+0.4	2504.08	2541.96	2557.03	1876.80	3.64	9.78	12.20	83.46	1045.93
64 Gas Distribution(2)	1989.47	+3.2	1927.98	1951.80	1945.75	2157.80	6.02	‡	‡	66.78	909.20
66 Telecommunications(4)	2002.32	+0.8	1986.11	2014.68	2013.23	2054.80	4.13	7.86	15.49	50.22	853.87
68 Water(13)	1850.38	+2.3	1809.06	1854.60	1880.59	1902.70	5.25	12.83	8.50	89.35	924.99
69 NON-FINANCIALS(632)	1685.79	+0.9	1671.24	1682.47	1698.56	1610.63	3.82	6.25	19.23	45.12	1187.58
70 FINANCIALS(104)	2195.53	+0.9	2174.99	2208.15	2221.75	2158.50	4.37	8.59	13.48	80.73	970.18
71 Banks(10)	2851.39	+1.3	2813.44	2861.69	2878.56	2812.20	4.22	9.40	12.11	114.94	856.85
73 Insurance(17)	1241.54	+0.8	1231.82	1257.85	1263.21	1438.70	5.22	9.51	12.08	48.55	848.30
74 Life Assurance(6)	2400.51	....	2400.47	2415.75	2443.89	2598.20	5.32	7.57	18.22	85.34	912.15
75 Merchant Banks(6)	3062.38	+0.8	3038.44	3079.16	3126.92	3027.20	3.37	18.76	10.80	82.29	922.66
77 Other Financial(24)	1959.57	+0.1	1957.45	1973.80	1983.84	1743.40	3.69	8.00	14.90	52.77	1045.05
79 Property(41)	1478.80	+0.5	1471.97	1488.15	1488.00	1586.20	4.06	4.23	28.81	38.80	844.76
80 INVESTMENT TRUSTS(123)	2853.36	+0.8	2829.95	2863.93	2875.05	2525.40	2.13	1.83	55.24	50.05	958.44
99 FT-SE-A ALL-SHARE(859)	1559.98	+0.9	1546.37	1566.58	1572.85	1493.42	3.85	6.45	18.43	43.87	1224.04

■ Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3080.4	3092.5	3097.6	3089.7	3087.0	3090.6	3096.8	3107.0	3113.5	3115.2	3085.2
FT-SE Mid 250	3629.5	3630.8	3630.4	3634.0	3632.4	3632.3	3634.5	3641.2	3648.2	3648.9	3627.8
FT-SE-A 350	1550.7	1560.8	1562.5	1559.8	1558.6	1560.0	1562.7	1567.3	1570.5	1571.1	1558.0

Time of FT-SE 100 Day's high: 4.05pm Day's low: 11.56am. FT-SE 100 1994 High: 3520.3(2/2) Low: 2876.6 (24/6).

■ FT-SE Actuaries 350 Industry baskets

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	1058.5	1061.8	1058.3	1060.1	1060.4	1060.8	1062.2	1063.8	1064.1	1064.1	1057.8	+6.3
Pharmaceuticals	3009.0	3009.9	3011.5	3003.9	2995.8	2998.9	3007.4	3021.1	3026.5	3027.3	3000.5	+26.8
Water	1809.6	1815.4	1815.1	1818.3	1821.7	1824.7	1830.1	1833.7	1849.4	1847.9	1806.1	+41.8
Banks	2859.1	2859.6	2865.4	2854.8	2855.2	2861.5	2867.1	2877.3	2888.3	2886.8	2848.1	+38.5

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT, Fitzroy House, 13-17 Epworth Street, London EC2A 4DL. The FT "500" has been renamed FT-SE-A Non-Financials index. The FT-SE 100, the FT-SE Mid 250, FT-SE Actuaries 350 and the FT-SE Actuaries Industry baskets are calculated by the International Stock Exchange of the United Kingdom and Republic of Ireland and the FT-SE Actuaries All-Share Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1994. © The Financial Times Limited 1994. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. The FT-SE Actuaries Share Indices are audited by The WM Company. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative.

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Oct	Calls Jan	Calls Apr	Puts Oct	Puts Jan	Puts Apr
Allied-Lyons	540	52	-	-	3½	-	-
(*584)	589	17½	-	-	18	-	-
Argyll	280	26½	28	34½	6½	13½	18½
(*292)	300	8	17	24½	16½	24	29
ASDA	60	8½	11½	12½	1½	3	4
(*67)	70	3	6	7	5½	7½	8½
Brit Airways	360	35	44	53½	4	12	16½
(*388)	390	15	28½	37	14½	24½	30
SmKl Bcm A	420	26	36½	48	9½	18½	25½
(*433)	460	7½	17½	27	32½	42	48
Boots	500	47½	54	66½	3	11	17
(*540)	550	13½	28	38½	21	32½	39
BP	420	16	28	38	12½	19½	26½
(*421)	460	3½	11	19	42	45½	50½
British Steel	140	17½	21	25	2	5	7
(*154)	160	5	9½	14	10½	14½	16
Bass	550	24	34	42½	14	30½	36½
(*556)	600	5	14	22	48	66	70
Cable & Wire	390	34	48½	56½	6½	16½	22½
(*412)	420	17	28½	40½	19½	30½	35½
Courtaulds	460	34½	45½	58	5½	16	21½
(*485)	500	11½	23	34	25½	35½	41
Comm Union	493	43	57	63	4	9½	16
(*527)	543	12	27	35	25	31½	45
ICI	800	59	80½	93	7	19½	33½
(*844)	850	26	50½	63	26	40½	57
Kingfisher	500	21	34	48½	18	26½	37
(*501)	550	4	18	28	58½	62	67½
Land Secur	600	25	35	49	8½	18½	23½
(*611)	650	4½	13½	28	42	49½	52½
Marks & S	390	27½	35½	44½	4½	11	14½
(*408)	420	9½	19	27½	17	24½	26
NatWest	460	48	61	68	5½	12½	20½
(*498)	500	21	36	44½	18½	27	38
Sainsbury	420	33	48½	53½	7	16½	22
(*443)	460	9½	23	33	26	36½	41½
Shell Trans.	700	26½	44½	54	11½	20½	33
(*722)	750	6	19½	28½	44	49½	60½
Storehouse	200	12½	18	22½	5	9	13
(*206)	220	3½	6	13	17	21	24½
Trafalgar	80	5½	8½	12	4½	5	6
(*90)	100	2	5½	7½	12	15	16½
Unilever	1150	16	37	57½	42½	58½	73½
(*1120)	1200	6½	20½	37½	85	94½	106
Zeneca	800	46½	69	80	9½	21½	36½
(*830)	850	18½	39½	52½	34	44½	62
Option		**Nov**	**Feb**	**May**	**Nov**	**Feb**	**May**
Grand Met	400	46½	48	54	8	15	18½
(*418)	420	21½	30	37	20½	26	32½
Ladbroke	160	11	17	20½	18½	13½	17½
(*161)	180	4	9	13	25	27	30½
Utd Biscuits	300	26½	31½	38½	9	12½	20½
(*315)	330	8½	16½	21½	24½	29	37½
Option		**Sep**	**Dec**	**Mar**	**Sep**	**Dec**	**Mar**
Fisons	120	7½	13½	18½	2½	7½	9½
(*124)	130	4	8½	12	8	13½	15½
Option		**Nov**	**Feb**	**May**	**Nov**	**Feb**	**May**
Brit Aero	460	43	57½	67	17	26	35½
(*485)	500	21	36	47½	37	48	56
BAT Inds	420	23½	35	41½	16½	22½	32
(*421)	460	7½	17½	23	44½	47½	57½
BTR	300	30½	38	44½	5	8½	13
(*327)	330	14	22	29	17	21	28
Brit Telecom	360	35½	39	45½	4	9½	13
(*386)	390	16½	20½	27½	14½	23½	26½
Cadbury Sch	460	20½	32	37½	18½	22½	30½
(*484)	500	6	15½	21	45	48	55
Eastern Elec	750	30	68½	81½	29	41½	50½
(*761)	800	26	45	38	57½	70½	78
Guinness	460	23½	35	43	14½	21	28
(*468)	500	7½	17	24	42½	46	51½
GEC	280	18½	22½	28½	7½	11½	14½
(*288)	300	5½	13	18½	17½	22	24½

Option		Calls Nov	Calls Feb	Calls May	Puts Nov	Puts Feb	Puts May
Hanson	240	12	18½	19½	6	13	16½
(*241)	260	4	7½	11½	21	25	28½
Lasmo	154	14½	-	-	7	-	-
(*158)	180	4½	8	12	26	26	29½
Lucas Inds	180	17	21	25½	7	11	14½
(*191)	200	6½	12	18	19	22½	25½
P & O	650	30	47½	59	26½	35½	50½
(*664)	700	11	24½	37	59½	66½	80
Pilkington	180	18½	21½	26	5	8½	11½
(*190)	200	7	12	16	15½	19½	22½
Prudential	300	20½	27½	32	9	14	20½
(*313)	330	6½	13	17½	28	31	38
RTZ	850	46	67	78	23	35½	53
(*870)	900	21½	43	55	52½	63	79½
Redland	500	29½	43	52½	17½	24	37½
(*515)	550	6½	21½	30	51	54½	69
Royal Insce	280	22	29½	36	11½	16½	22½
(*287)	300	13	21	27	23½	27	33½
Tesco	240	17½	26	29½	7½	12½	16½
(*250)	260	8	14½	26	16½	23	27
Vodafone	183	16½	28½	-	6½	18	-
(*190)	200	8	12½	18	15½	19½	22
Williams	325	29	-	-	5	-	-
(*344)	354	11½	-	-	18	-	-
Option		**Oct**	**Jan**	**Apr**	**Oct**	**Jan**	**Apr**
BAA	475	28	38	46½	6½	13½	17
(*492)	500	12½	22	31½	17½	24½	29
Thames Wtr	500	21½	31	39	14	28	31
(*503)	550	4	14	20½	50	91	83
Option		**Sep**	**Dec**	**Mar**	**Sep**	**Dec**	**Mar**
Abbey Natl	380	21½	35	43	3½	11	20½
(*405)	420	5	15	27	19½	26	36½
Amstrad	25	5½	6½	7	1	1½	2½
(*29)	30	1½	5	4	2	4	5½
Barclays	550	47½	62	75½	1	10½	19
(*593)	600	9½	32	46½	14	29½	41½
Blue Circle	280	18	27	34½	3	10½	16
(*295)	300	5	16	24½	13	21	26½
British Gas	280	22	26	32½	1½	7½	13
(*289)	300	6½	15	23	8	17	21
Dixons	180	15	26	29½	1½	7	11½
(*195)	200	4	14½	18½	8½	16½	21
Hillsdown	180	6½	12½	15	3½	10½	12½
(*182)	200	1½	5	8½	20	24	25½
Lonrho	130	5	13	16½	3½	7	11½
(*132)	140	2	8	12	9½	14	17
Natl Power	460	21	35½	46½	4½	16	24½
(*474)	500	3½	18½	28	29	39½	45½
Scot Power	360	23	38	45	3	13	16
(*378)	390	5½	22	29½	16½	26½	31
Sears	118	8½	11½	14½	1½	4	5½
(*115)	120	2	5½	8½	5½	6	11
Forte	220	10½	17	23½	3	11	14½
(*226)	240	2½	8	14	16	23	26
Tarmac	140	8½	16	20½	2	5½	11½
(*146)	180	2	8	11½	15½	22	24
Thorn EMI	1000	32	66½	80½	8½	30	46½
(*1020)	1050	7	35	55½	37	56	71½
TSB	220	7	16½	21½	5	11½	17½
(*221)	240	2	7½	12½	21	24	30
Tomkins	220	12½	21½	28	25½	8	12½
(*229)	240	2½	11	15	14	18½	23
Wellcome	650	39	66	84	5	25	38
(*678)	700	8	38	57½	28½	49½	60½
Option		**Oct**	**Jan**	**Apr**	**Oct**	**Jan**	**Apr**
Glaxo	600	15½	35½	48½	35	47	60½
(*600)	650	4½	19	30½	75½	82	93½
HSBC 75p shs	700	54	78½	99	18½	38	59½
(*728)	750	27½	55½	73½	44½	64	86
Reuters	475	19	-	-	14½	-	-
(*478)	488	13½	-	-	22	-	-
Option		**Nov**	**Feb**	**May**	**Nov**	**Feb**	**May**
Rolls-Royce	180	12½	17½	21½	8	13½	17
(*182)	200	5½	9½	13	23	25½	29

* Underlying security price. Premiums shown are based on closing offer prices.
September 15. Total contracts: 52,762 Calls: 31,623 Puts: 21,139

FT GOLD MINES INDEX

	Sep 14	% chg on day	Sep 13	Sep 12	Year ago	Gross div yield %	52 week High	52 week Low
Gold Mines Index (35)	2183.55	-0.2	2187.58	2200.31	1540.30	1.97	2367.40	1540.30
■ **Regional Indices**								
Africa (16)	3431.88	+2.1	3362.08	3358.92	1987.93	4.01	3487.86	1987.93
Australasia (8)	2722.48	-2.5	2791.49	2830.03	1693.18	1.92	3013.89	1693.18
North America (12)	1735.67	-0.9	1752.06	1765.38	1396.28	0.74	2039.65	1396.28

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Figures in brackets show number of companies. Basis US Dollars. Base Values: 1000.00 31/12/92.
Predecessor Gold Mines Index: Sep 15 274.3 ; day's change: +0.4 points; Year ago: 168.0 † Partial.
Latest prices were unavailable for this edition.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	57	4	8
Other Fixed Interest	0	8	15
Mineral Extraction	68	41	89
General Manufacturers	142	117	385
Consumer Goods	43	35	109
Services	95	87	338
Utilities	28	8	11
Financials	112	54	200
Investment Trusts	132	26	309
Others	58	24	24
Totals	735	374	1489

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

First Dealings	September 12	Expiry	December 8
Last Dealings	September 23	Settlement	December 22

Calls: Atreus, BTR Wts '97, Beazer Homes, Conrad, Enterprise Comp, First Nat Fin, Gaelic, Greenwich Res, Greycoat, Inchcape, Minmet, NHL Pref, NSM, Ovoca Res, Tullow Oil. Puts: BTR Wts '97, Greycoat, Inchcape, Minmet, NSM, Tullow Oil. Puts & Calls: Navan Res.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1994 High	1994 Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
-	F.P.	16.8	88	79	Baillie G Shn Wrts	78½		-	-	-	-
100	F.P.	18.2	102	95	Beacon Inv Tst	96		-	-	-	-
-	F.P.	1.48	48	39	Do. Warrants	39		-	-	-	-
-	F.P.	1.30	1½	1	Cont'l Foods Wrts	1¼		-	-	-	-
-	F.P.	31.5	94	69	INVESCO Jpn Disc	80		-	-	-	-
-	F.P.	3.22	50	42	Do. Warrants	46		-	-	-	-
-	F.P.	-	77	60	JF Fl Japan Wrts	80		-	-	-	-
-	F.P.	25.4	67	38	Magnum Power	61		-	-	-	-
23	F.P.	10.6	31	29	Orbis	29		-	-	-	-
-	F.P.	0.60	17	5½	Panther Wrts.	17		-	-	-	-
-	F.P.	0.82	40	26	Petrocaltic	26		-	-	-	-
-	F.P.	3.85	44	33	Suter Wrts 99/04	33		-	-	-	-
100	F.P.	3.81	105	97	TR Euro Gth Ptg	105		-	-	-	-
-	F.P.	12.6	203	182	Templeton E W 04	203		-	-	-	-
-	F.P.	2.32	35	29	Tops Ests Wrts	29		-	-	-	-

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1994 High	1994 Low	Stock	Closing price p	+or-
475	Nil	4/18	58pm	49pm	Commercial Union	51pm	-3
360	Nil	21/10	48pm	22pm	EMAP	22pm	-3
252	Nil	11/11	34pm	19pm	Weir	19pm	-1

FINANCIAL TIMES EQUITY INDICES

	Sep 15	Sep 14	Sep 13	Sep 12	Sep 9	Yr ago	*High	*Low
Ordinary Share	2426.2	2397.4	2426.5	2425.3	2426.6	2331.2	2713.6	2240.6
Ord. div. yield	4.24	4.29	4.24	4.24	4.19	3.99	4.46	3.43
Earn. yld. % full	8.04	8.11	8.04	8.04	8.03	4.70	8.11	3.82
P/E ratio net	17.68	17.47	17.68	17.68	17.73	27.17	33.43	17.47
P/E ratio nil	18.26	18.06	18.26	18.27	18.32	25.08	30.80	18.06

*For 1994. Ordinary Share Index since compilation: high 2713.6 2/02/94; low 49.4 26/6/40
FT Ordinary Share Index base date 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2405.7	2407.9	2413.3	2407.7	2405.6	2406.9	2413.1	2421.3	2426.0	2426.3	2403.5

	Sep 15	Sep 14	Sep 13	Sep 12	Sep 9	Yr ago
SEAQ bargains	24,238	24,312	25,093	27,505	26,870	28,442
Equity turnover (£m)†	-	1237.5	1163.7	1074.9	1278.9	1751.3
Equity bargains†	-	26,700	27,228	29,812	29,281	32,133
Shares traded (m)†	-	477.8	480.2	412.7	527.6	669.9

†Excluding intra-market business and overseas turnover.

LONDON SHARE SERVICE

BANKS

BREWERIES

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

CHEMICALS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

FOOD MANUFACTURERS

GAS DISTRIBUTION

HEALTH CARE

HEALTH CARE - Cont.

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

Approved by the Inland Revenue

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

OTHER INVESTMENT TRUSTS

INVESTMENT COMPANIES

LEISURE & HOTELS

LEISURE & HOTELS - Cont.

LIFE ASSURANCE

MEDIA

MERCHANT BANKS

OIL EXPLORATION & PRODUCTION

OIL EXPLORATION & PRODUCTION - Cont.

OIL, INTEGRATED

OTHER FINANCIAL

OTHER SERVICES & BUSINESSES

PHARMACEUTICALS

PRINTING, PAPER & PACKAGING

PROPERTY

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

RETAILERS, GENERAL - Cont.

SPIRITS, WINES & CIDERS

SUPPORT SERVICES

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

TRANSPORT - Cont.

WATER

AMERICANS

CANADIANS

Toronto-Dom		9⅝xd	-⅛	11⅞	9⅝	2,818	3.8	
Trans Can Pipe	♥	8⅞	-⅛	10⅞	7⅞	1,508	4.8	

SOUTH AFRICANS

	Notes	Price	+ or -	1994 high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£29¼	—	£30	£13½	1,907	2.5	21.4
Barlow	Z	£6⅜	-⅛	£9⅛	£3⅛	892.2	8.7	-
Gold Flds Prop R		119xr	—	128	75	12.2	7.8	ɸ
MK Props	z	65	—	95	65	3.42	14.2	ɸ
SASOL	♥	491	+4	498	280	2,791	2.0	-
SA Brews		£12⅜	—	£15½	210	3,430	2.2	20.2
Tiger Oats	†	800	—	838	538	982.2	2.6	12.7
Tongaat-Hulett	h	591	—	*618½	356¼	538.6	2.2	18.5

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ☐ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ◆ Figures or report awaited
- ♥ Rule 2.1(a)(v) Overseas incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below.
- ⚲ USM; are listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Rule 4.2(a) UK & Irish incorporated non-listed companies.
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield includes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1994
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Figures based on IMR "Headline Earnings"
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualise yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
dl ex capital distribution.

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AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♠) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♣) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071-379-0444.

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Waverley Unit Tst Mngmt Ltd (1000)F
13 Charlotte Sq, Edinburgh 031-225 1551

Whittingdale Unit Tst Mgmt Ltd (0830)F
2 Honey Lane, London EC2V 8BT

Woolwich Unit Trust Managers Ltd (1700)H
2 White Oak Square, Swanley BR8 7AG

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd

Baring Investment Mngmt Ltd

CAF - Charity Money Management

CIN Unit Trust Managers Ltd

Cent. Bd. of Fin. of Church of England
2 Fore Street, London EC2Y 5AQ 071-588 1815

Charterhouse/Charishare (1000)F
33 King William Street, EC4R 9AS

COIF-Charities Official Inv Fd
2 Fore Street, London EC2Y 5AQ 071-588 1210

Charity Fixed Int Fd/Charity Equity Fd

Edinburgh Fund Mngrs PLC

INSURANCES

Acuma Life Assurance Ltd
42 Southwark Bridge Road, London SE1 9HE 071 980 3433

AEGON Life Assurance Co (UK) Ltd
AEGON Hse, Lanark Sq, London E14 9QD 071-538 8500

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar EN6 1AJ

Clerical Medical/Fidelity Investments
Narrow Plain, Bristol BS2 0JH 0272 290566

Clerical Medical Investment Group
Narrow Plain, Bristol BS2 0JH 0272-290566

Friends Provident - Contd.

GT Unit Managers Ltd

General Accident

Lancashire & Yorkshire Assce Society

Laurentian Life plc
Barnwood, Gloucester GL4 7RZ 0452 371371

MGM Assurance (z)
MGM House, Heene Rd, Worthing 0903 204631

Norwich Union Life Insurance Soc. - Contd.

Prudential Individual Pension Funds
55 King's Road, Reading RG1 3AH 0734 484848

Reliance Mutual
Reliance House, Tunbridge Wells, Kent 0892 510033

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LUXEMBOURG (SIB RECOGNISED)

[illegible]

LUXEMBOURG (REGULATED)(**)

[illegible]

OTHER OFFSHORE FUNDS

[illegible]

MANAGED FUNDS NOTES

[illegible]

CURRENCIES AND MONEY

MARKETS REPORT

Swiss franc marches on

The Swiss franc continued its firm showing on the foreign exchanges yesterday, touching its highest level against the D-Mark since early 1991, *writes Philip Gawith.*

While the Swiss franc finishing unchanged in London against the D-Mark at SFr0.83, the D-Mark fell as low at one stage as SFr0.8285.

The D-Mark was weaker against most European currencies, despite the Bundesbank council's decision to leave German official rates unchanged. The central bank also fixed the repo rate at 4.85 per cent for another two weeks.

The dollar was a bit firmer, helped by the weaker D-Mark. It closed at DM1.5467, from DM1.5374, and at Y99.38 from Y98.875.

Sterling also had a quite day, with modest gains against the D-Mark offset by losses against the dollar. The trade weighted index finished unchanged at 79.2.

■ Two short term factors buoying the swiss franc were the Swiss National Bank's decision to leave rates unchanged – there had been speculation of lower rates – and unconfirmed reports that Mr Markus Lusser, the Swiss National Bank president, had told a private gathering that a rise in rates in the future would be necessary.

A number of other factors, however, are supporting the Swiss currency. The most obvious is the increased quest for safe haven status, now that there is increased concern about the outcome of next month's German election.

A further factor is the increased concern about the level of global stock markets. This has buoyed the gold price, which traditionally has a good correlation with the franc.

Analysts argue that with the Swiss economy having been the first out of recession in Europe, and the SNB having made it clear that rates will probably not fall further, the differential compared to German interest rates is likely to narrow further.

Many observers are predicting further strength for the franc. If it reaches the key technical level of SFr0.825, then there are predictions that it could go as far as SFr0.79.

This presents an uncomfortable problem for the SNB. While it would like to help exporters, who are hurting from the strong exchange rate, it is doubtful how much it can achieve, given thet most factors supporting the franc are beyond its control.

■ The dollar paid little attention to the release of minor economic data, though the bias was towards the upside of recent trading ranges. Mr Robin Marshall, chief economist at Chase Manhattan in London, said the dollar's inability to break the downside of its recent trading range may have created conditions for an upward squeeze on the currency.

In terms of fundamentals, what the currency needed to move higher was weaker figures, which would quell inflation fears and help the bond markets, said Mr Marshall. Recent releases, however, did not provide convincing support for this picture.

It may be, however, that technical factors will drive the currency up. "There has certainly been a real loss of momentum with the dollar selling on the downside," said Mr Marshall. This had contributed to a change in sentiment, though he stressed that trading conditions remained thin, with most longer term investors out of the market.

The possibility of a US invasion of Haiti has started to impinge on markets, and does not appear to offer any upside for the dollar. Mr David Munro of High Frequency Economics in New York said President Clinton's campaign risked courting further unpopularity, and would "bomb the markets".

■ There were no surprises from the Bundesbank council, whose decision to maintain the status quo had been widely anticipated. Although some economists believe one further fall in German rates is still likely, this optimism is not shared by the futures market.

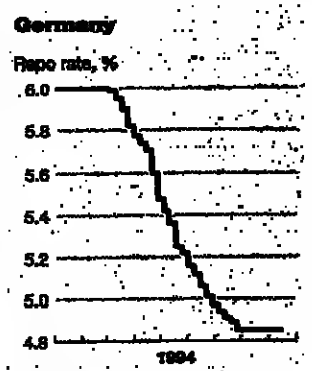
The euromark futures strip is currently discounting three month money at 5.26 per cent in December, and at 6.06 by next June. Three month money is currently being offered in German cash markets at around 4.95/5 per cent.

One argument doing the rounds is that the Bundesbank will not cut rates ahead of the October 16 elections to avoid being accused of favouritism towards the Kohl administration.

But Mr Brian Durrant, economist at brokers GNI, comments: "There is no historical evidence to support the view that proximity to Federal elections imposes a moratorium on Bundesbank interest rate decisions. In 1987 rates were cut three days before the election and in 1990 rates were raised 31 days before the poll.

■ The Bank of England provided £568m assistance to UK money markets, at established rates, after forecasting a £550m daily shortage. Overnight money traded between 2 and 5¾ per cent.

Mr Durrant said efforts to describe Monday's monetary tightening as reactive, rather than pre-emptive, were harsh. He said the media remained "obsessed with past policy mistakes".



Source: FT Graphite

■ Pound in New York

Sep 15	— Latest —	— Prev. close —
£ spot	1.5635	1.5660
1 mth	1.5628	1.5653
3 mth	1.5609	1.5633
1 yr	1.5460	1.5482

■ OTHER CURRENCIES

Sep 15	£	$
Hungary	166.860 - 167.113	106.760 - 106.850
Iran	2742.00 - 2745.00	1748.00 - 1750.00
Kuwait	0.4647 - 0.4658	0.2973 - 0.2978
Poland	35917.7 - 35987.6	22960.0 - 23010.0
Russia	3602.30 - 3607.00	2304.00 - 2307.00
U.A.E.	5.7343 - 5.7469	3.6715 - 3.6735

POUND SPOT FORWARD AGAINST THE POUND

Sep 15		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	(Sch)	17.0461	+0.0286	367 - 554	17.0560	16.9299	17.0417	0.3	17.0299	0.4	-	-	115.1
Belgium	(BFr)	49.7075	+0.0869	737 - 212	49.8370	49.5890	49.8125	-0.4	49.7575	0.3	49.4725	0.7	116.8
Denmark	(DKr)	9.5543	+0.0248	498 - 589	9.5613	9.5349	9.559	-0.6	9.5784	-1.0	9.621	-0.7	116.3
Finland	(FM)	7.7894	+0.0185	791 - 997	7.8160	7.7780	-	-	-	-	-	-	84.8
France	(FFr)	8.2741	+0.0219	698 - 783	8.2807	8.2597	8.2737	0.1	8.2754	-0.1	8.2294	0.9	110.4
Germany	(DM)	2.4183	+0.0067	170 - 195	2.4236	2.4141	2.4173	0.5	2.4146	0.9	2.3851	1.4	126.2
Greece	(Dr)	366.563	-1.051	211 - 914	368.985	365.506	-	-	-	-	-	-	-
Ireland	(I£)	1.0133	+0.0003	125 - 141	1.0166	1.0119	1.0133	0.1	1.0144	-0.4	1.0189	-0.6	104.4
Italy	(L)	2446.96	-7.39	500 - 891	2456.03	2442.03	2453.16	-3.0	2465.86	-3.1	2529.76	-3.4	75.3
Luxembourg	(LFr)	49.7975	+0.0869	737 - 212	49.8370	49.5890	49.8125	-0.4	49.7575	0.3	49.4725	0.7	110.3
Netherlands	(Fl)	2.7134	+0.0063	121 - 146	2.7216	2.7050	2.7125	0.4	2.7093	0.6	2.6768	1.3	120.9
Norway	(NKr)	10.6173	+0.0206	123 - 222	10.6284	10.5879	10.6171	0.0	10.6183	-0.1	10.6217	0.0	96.0
Portugal	(Es)	248.439	+0.062	282 - 596	248.596	245.937	248.169	-8.4	251.349	-6.0	-	-	-
Spain	(Pta)	200.723	+0.273	590 - 865	201.155	200.442	201.126	-2.4	201.858	-2.3	204.693	-2.0	86.0
Sweden	(SKr)	11.7079	-0.071	983 - 175	11.8206	11.6971	11.7269	-1.9	11.7744	-2.3	11.9679	-2.4	76.2
Switzerland	(SFr)	2.0076	+0.0068	061 - 090	2.0138	2.0043	2.006	1.6	1.9993	1.7	1.9636	2.2	123.0
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	79.2
Ecu	-	1.2711	+0.0031	701 - 720	1.2721	1.2652	1.2715	-0.3	1.2719	-0.2	1.2626	1.4	-
SDR†	-	0.936837	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.5625	-0.0055	619 - 631	1.5656	1.5611	-	-	-	-	-	-	-
Brazil	(R)	1.3384	-0.0015	364 - 403	1.3415	1.3361	-	-	-	-	-	-	-
Canada	(C$)	2.1163	-0.0036	152 - 175	2.1207	2.1142	2.1168	0.3	2.1161	0.2	2.1139	0.1	87.4
Mexico	(New Peso)	5.3365	-0.0191	298 - 411	5.3413	5.3291	-	-	-	-	-	-	-
USA	($)	1.5635	-0.0052	630 - 640	1.5664	1.5617	1.5628	0.5	1.5609	0.7	1.5463	1.1	62.4
Pacific/Middle East/Africa													
Australia	(A$)	2.1036	-0.0188	022 - 050	2.1116	2.1007	2.1036	0.0	2.1049	-0.2	2.123	-0.9	-
Hong Kong	(HK$)	12.0811	-0.0399	784 - 857	12.1028	12.0679	12.0772	0.4	12.0761	0.2	12.0632	0.0	-
India	(Rs)	49.0509	-0.1577	315 - 705	49.1340	48.9980	-	-	-	-	-	-	-
Japan	(Y)	155.361	+0.28	284 - 477	155.760	155.110	155.011	2.9	154.111	3.3	149.116	4.0	189.3
Malaysia	(M$)	3.9957	-0.0091	936 - 977	4.0011	3.9886	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.5909	-0.0144	873 - 983	2.5972	2.5865	2.5942	-1.8	2.602	-1.8	2.6242	-1.3	-
Philippines	(Peso)	40.5339	-0.1726	473 - 204	40.8348	40.2410	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.8639	-0.0191	616 - 661	5.8745	5.8575	-	-	-	-	-	-	-
Singapore	(S$)	2.3270	-0.0077	254 - 285	2.3314	2.3240	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.5587	-0.0106	557 - 618	5.5653	5.5500	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	6.8342	-0.0463	163 - 520	6.9548	6.8141	-	-	-	-	-	-	-
South Korea	(Won)	1250.88	-4.04	840 - 136	1252.81	1249.44	-	-	-	-	-	-	-
Taiwan	(T$)	40.9735	-0.1212	592 - 877	41.0378	40.9275	-	-	-	-	-	-	-
Thailand	(Bt)	39.0406	-0.0972	125 - 687	39.1030	39.0110	-	-	-	-	-	-	-

†SDR rates for Sep 14. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100.Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Sep 15		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	J.P Morgan index
Europe													
Austria	(Sch)	10.9025	+0.054	000 - 050	10.9070	10.8670	10.9023	0.0	10.9023	0.0	10.8275	0.7	104.5
Belgium	(BFr)	31.8500	+0.16	450 - 550	31.8800	31.6800	31.8572	-0.3	31.87	-0.3	32.005	-0.6	106.1
Denmark	(DKr)	6.1108	+0.0357	098 - 118	6.1177	6.0963	6.1175	-1.3	6.1373	-1.7	6.2145	-1.7	104.9
Finland	(FM)	4.9820	+0.0266	770 - 870	4.9940	4.9710	4.982	0.9	4.989	-0.6	5.037	-1.1	79.3
France	(FFr)	5.2920	+0.0316	910 - 930	5.2990	5.2680	5.2945	-0.6	5.2998	-0.6	5.2665	0.3	108.7
Germany	(D)	1.5467	+0.0093	464 - 470	1.5500	1.5420	1.5469	-0.2	1.5469	-0.1	1.5427	0.3	107.2
Greece	(Dr)	234.450	+0.1	300 - 600	235.740	233.700	234.75	-1.5	235.375	-1.6	238.125	-1.6	69.2
Ireland	(I£)	1.5430	-0.0056	423 - 437	1.5453	1.5375	1.5424	0.5	1.5395	0.9	1.521	1.4	-
Italy	(L)	1565.05	+0.42	430 - 580	1570.75	1563.00	1569.7	-3.6	1579.55	-3.7	1634.55	-4.4	75.4
Luxembourg	(LFr)	31.8500	+0.15	450 - 550	31.8800	31.6800	31.8572	-0.3	31.87	-0.3	32.005	-0.5	106.1
Netherlands	(Fl)	1.7355	+0.011	352 - 367	1.7399	1.7315	1.7358	-0.2	1.7358	-0.1	1.7307	0.3	105.9
Norway	(NKr)	6.7907	+0.0354	897 - 917	6.8004	6.7663	6.7957	-0.9	6.8157	-1.5	6.8882	-1.4	96.3
Portugal	(Es)	157.820	+0.57	670 - 970	157.780	157.360	158.87	-6.7	162.045	-11.2	166.82	-5.7	95.4
Spain	(Pta)	128.380	+0.695	330 - 430	128.550	128.120	128.695	-2.9	129.315	-2.8	132.26	-3.0	81.0
Sweden	(SKr)	7.4883	-0.0207	845 - 920	7.5563	7.4845	7.5048	-2.6	7.5433	-2.9	7.7358	-3.3	79.6
Switzerland	(SFr)	1.2840	+0.0085	835 - 845	1.2880	1.2801	1.2829	1.0	1.2808	1.0	1.269	1.2	108.7
UK	(£)	1.5635	-0.0052	630 - 640	1.5664	1.5617	1.5628	0.5	1.5609	0.7	1.5463	1.1	87.4
Ecu	-	1.2301	-0.007	296 - 306	1.2343	1.2296	1.2292	0.9	1.2274	0.9	1.2	2.4	-
SDR†	-	1.46866	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9994	-0.0002	993 - 994	0.9994	0.9993	-	-	-	-	-	-	-
Brazil	(R)	0.8560	+0.002	550 - 570	0.8570	0.8550	-	-	-	-	-	-	-
Canada	(C$)	1.3536	+0.0022	533 - 538	1.3557	1.3530	1.354	-0.3	1.3549	-0.4	1.3632	-0.7	84.1
Mexico	(New Peso)	3.4125	-0.001	100 - 150	3.4150	3.4100	3.4135	-0.4	3.4153	-0.3	3.4227	-0.3	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	95.6
Pacific/Middle East/Africa													
Australia	(A$)	1.3455	-0.0055	450 - 459	1.3490	1.3437	1.3458	-0.2	1.3465	-0.3	1.3536	-0.6	86.9
Hong Kong	(HK$)	7.7269	-0.0002	264 - 274	7.7274	7.7264	7.7267	0.0	7.7274	0.0	7.7424	-0.2	-
India	(Rs)	31.3725	+0.0025	700 - 750	31.3800	31.3700	31.4575	-3.3	31.6025	-2.9	-	-	-
Japan	(Y)	99.3600	+0.505	500 - 100	99.4500	99.1500	99.19	2.3	98.73	2.6	96.355	3.0	149.3
Malaysia	(M$)	2.5556	+0.0026	551 - 561	2.5570	2.5530	2.5464	4.3	2.5351	3.2	2.6086	-2.1	-
New Zealand	(NZ$)	1.6568	-0.0037	554 - 581	1.6586	1.6554	1.6578	-0.7	1.6596	-0.7	1.6649	-0.5	-
Philippines	(Peso)	25.9250	-0.025	500 - 000	26.1000	25.7500	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7505	+0.0001	502 - 507	3.7507	3.7502	3.7516	-0.4	3.7559	-0.3	3.7745	-0.6	-
Singapore	(S$)	1.4883	-0.0001	878 - 888	1.4892	1.4875	1.487	1.1	1.4851	0.9	1.4763	0.7	-
S Africa (Com.)	(R)	3.5553	+0.0048	545 - 560	3.5560	3.5527	3.5706	-5.2	3.5991	-4.9	3.6756	-3.4	-
S Africa (Fin.)	(R)	4.4350	-0.015	250 - 450	4.4450	4.4250	4.4687	-9.1	4.5275	-8.3	-	-	-
South Korea	(Won)	800.050	+0.05	000 - 100	800.100	799.800	803.05	-4.5	806.55	-3.2	825.05	-3.1	-
Taiwan	(T$)	26.2063	+0.0068	055 - 070	26.2070	26.2035	26.2263	-0.3	26.2663	-0.3	-	-	-
Thailand	(Bt)	24.9700	+0.02	600 - 800	24.9750	24.9700	25.0425	-3.5	25.17	-3.2	25.65	-2.7	-

†SDR rate for Sep 14. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Sep 14 Base average 1990=100

MONEY MARKET FUNDS

Money Market Trust Funds

	Gross	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd 48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Calcash Deposit Fund	4.80	-	4.87	3-Mth
Deposits Over £1 million	4.98	-	5.07	3-Mth
Deposits Over £2 million	5.06	-	5.17	3-Mth
The COIF Charities Deposit Account 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	5.00	-	5.06	3-Mth
Cent. Bd. of Fin. of Church of England‡ 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	5.00	-	5.06	3-Mth

Money Market Bank Accounts

	Gross	Net	Gross CAR	Int Cr
Allied Trust Bank Ltd 20 Dowgate Hill, London, EC4R 2ST 071-626 0879				
FOMMA (£2,001+)	5.54	4.00	5.54	Yearly
TREMMA (£2,001+)	5.65	4.25	5.65	Yearly
TOMMA (£2,001+)	5.64	4.25	5.64	Yearly
OMMA (£2,001 +)	5.33	3.60	5.33	Yearly
HICA (£2,001 +)	4.00	3.00	4.07	Mth
HIBCA (£2001+)	4.00	3.00	4.07	Mth
Premier TESSA	6.87	5.15	6.87	Yearly
American Express Bank Ltd Sussex House, Burgess Hill RH15 9AQ 0444 239444 High Performance Cheque Account				
£500-£999.99	1.00	0.75	1.00	Mth
£1,000-£4,999.99	3.57	2.68	3.58	Mth
£5,000-£9,999.99	3.75	2.81	3.82	Mth
£10,000-£24,999.99	4.00	3.00	4.07	Mth
£25,000-£49,999.99	4.25	3.19	4.33	Mth
£50,000+	4.75	3.56	4.85	Mth
Arbuthnot Latham & Co Ltd 30 City Road, London EC1Y 2AY 071-638 6070 Treasury Account – for professional advisers				
£25,000-£49,999	4.75	3.5625	4.85	Mth
£50,000 or more	5.00	3.75	5.12	Mth
Monthly Inc Acc – for personal and business clients				
Up to £9,999	3.25	2.4375	3.30	Mth
£10,000 – £24,999	4.00	3.00	4.07	Mth
£25,000 – £49,999	4.50	3.375	4.59	Mth
£50,000 or more	4.75	3.5625	4.85	Mth
Money Market quotations – please telephone				
Bank of Ireland High Interest Cheque Acc 36-40 High St, Slough SL1 1EL 0753 516516				
£10,000 +	4.000	3.000	4.060	Qtr
£2,000-£9,999	3.00	2.250	3.034	Qtr
Bank of Scotland 38 Threadneedle St, EC2P 2EH 071-601 6446				
Inf Chr Acc £2,500-£24,999	[illegible]	3.02	3.06	Mth
£25,000-£249,999	4.00	3.00	4.07	Mth
£250,000+	5.50	4.12	5.64	Mth
Barclays Select PO Box 120, Westwood Bs Pk, Coventry 0800 400100				
£2,000-£9,999	4.75	3.56	4.75	Yearly
£10,000-£24,999	5.25	3.94	5.25	Yearly
£25,000-£49,999	5.50	4.13	5.50	Yearly
£50,000-£99,999	5.60	4.20	5.60	Yearly
£100,000+	5.75	4.31	5.75	Yearly
Barclays Prime Account H.I.C.A. Waterloo Boulevard, Liverpool 051-254 6836				
£1,000-£2,499	2.50	1.88	2.52	Qtr
£2,500-£9,999	2.75	2.06	2.78	Qtr
£10,000-£24,999	3.25	2.44	3.28	Qtr
£25,000+	3.75	2.81	3.80	Qtr
Brown Shipley & Co Ltd Founders Court, Lothbury, London EC2 071-606 9833				
HICA	4.00	3.00	4.06	Qtr
Prof Demand A/c	4.00	3.00	4.01	Qtr
Caledonian Bank Plc 8 St Andrew Square, Edinburgh EH2 2PP 031 556 8235				
HICA	5.25	3.9375	-	Yearly
Cater Allen Ltd 20 Birchin Lane, London EC3V 9DJ 071-623 2070				
HICA	3.80	2.85	3.86	Mth
Fixed £50,000+	4.90	-	5.00	Mth
Overnight £50,000+	3.68	-	3.75	Mth
Charterhouse Bank Limited 1 Paternoster Row, EC4M 7DH 071-248 4000				
£2,500-£19,999	3.75	2.81	3.80	Mth
£20,000-£49,999	4.00	3.00	4.50	Mth
£50,000-£99,999	4.25	3.19	4.31	Mth
£100,000+	4.50	4.31	4.07	Mth
$5,000-$49,999	2.75	3.00	2.78	Mth
$50,000-$99,999	3.25	2.44	3.30	Mth
$100,000-$199,999	3.50	2.63	3.55	Mth
$200,000+	3.75	2.81	3.82	Mth
Many other currencies are available – for rates please phone ext 2180				
Clydesdale Bank Flexible Solution Acc 30 St Vincent Place, Glasgow G1 2HL 041-248 7070				
£10,000-£49,999	3.70	2.78	3.75	Qtr
£50,000-£249,999	3.80	2.85	3.85	Qtr
£250,000 and over	4.50	3.38	4.58	Qtr
The Co-operative Bank PO Box 300, Skelmersdale, Lancs 0345 252000				
TESSA	6.25	-	-	Yearly
Pathfinder – Card Based Current Account				
All Balances	4.00	3.00	4.07	Mth
Investment 30 – 30 Day Notice Savings				
£50,000+	5.25	3.94	5.32	6-Mth
£25,000-£49,999	4.50	3.38	4.55	6-Mth
£10,000-£24,999	4.00	3.00	4.04	6-Mth
£5,000-£9,999	3.00	2.25	3.02	6-Mth
Top Tier – Instant Access Savings				
£50,000+	3.75	2.81	3.79	6-Mth
£10,000-£49,999	3.25	2.44	3.28	6-Mth
£5,000-£9,999	2.25	1.69	2.26	6-Mth
Business Deposit – Instant Access				
£250,000+	4.06	3.00	4.10	6-Mth
£50,000-£249,999	3.00	2.25	3.02	6-Mth
£10,000-£49,999	2.75	2.06	2.77	6-Mth
£500-£9,999	2.31	1.73	2.32	3-Mth
30-60 day notice available Tel 0345 212213				
Coutts & Co 440 Strand, London WC2R 0QS 071-753 1000 Coutts Composite Account for clients money 15 Lombard Street, London EC3V 9AU 071-623 1010				
Rates negotiable as to...	4.025	-	-	-
Dao Heng Bank (London) PLC Premier Acc 10 Angel Court, London EC2R 7HP 071-606 1616				
£20,000+	5.00	3.75	5.09	Qtr
£10,001-£20,000	4.25	3.19	4.32	Qtr
£2,500-£10,000	3.75	2.81	3.80	Qtr
Savings Account	2.75	2.06	2.78	Qtr
Davenham Tst Plc-Davenham 380 Acc 8 St John St, Manchester M3 4DU 061-832 8484				
£10,000+ 6 Mths	7.50	5.625	7.64	6-Mth
£10,000+ 1 Year	8.00	6.000	8.00	Yearly
£5,000 + Fixed Rate Bd 2 Yrs	8.25	6.1875	7.94	-
Fidelity Money Market Account Fidelity Brokerage Services Ltd, Kingswood Place, Tadworth Surrey, KT20 6RB				
£1-£999	0.50	0.375	0.50	Qtr
£1,000-£9,999	3.50	2.625	3.55	Qtr
£10,000-£24,999	4.00	3.00	4.06	Qtr
£25,000-£99,999	4.50	3.375	4.58	Qtr
£100,000+	4.70	3.525	4.78	Qtr
£500,000+ Money Market Rates on request				
Halifax Bldg Soc Asset Reserve Cheque Acc Trinity Road, Halifax HX1 2RG 0422 335333 Rates for personal customers				
£50,000 and above	5.85	4.39	5.98	Qtr
£25,000 to £49,999	5.55	4.16	5.61	Qtr
£10,000 to £24,999	5.15	3.86	5.25	Qtr
£5,000 to £9,999	4.50	3.38	4.58	Qtr
Rates for non-personal customers				
£50,000 and above	5.25	3.94	5.35	Qtr
£25,000 to £49,999	4.75	3.56	4.84	Qtr
£10,000 to £24,999	4.50	3.38	4.58	Qtr
£5,000 to £9,999	4.25	3.19	4.33	Qtr
Julian Hodge Bank Ltd 10 Windsor Place Cardiff CF1 3BX 0222 220800				
6 Mth Fixed Rate Deposit Acc	6.50	4.88	6.61	-
3 Mth Fixed Rate Deposit Acc	6.25	4.69	6.40	-
1 Mth Fixed Rate Deposit Acc	6.25	4.69	6.43	-
Humberclyde Finance Group 6 Bartley Way, Hook, Basingstoke 0256 768000				
£50,000+	5.75	4.31	5.86	Qtr
Leopold Joseph & Sons Limited 29 Gresham Street, London EC2V 7EA 071-588 2323 Treasury High Interest Cheque Account				
£25,001-£100,000	4.50	3.375	4.58	Qtr
£100,001 plus	4.75	3.563	4.84	Qtr
Kleinwort Benson Ltd 120 Kentish Town Rd, London NW5 2BT 071-267 1366				
H.I.C.A. (£2,500+)	4.0	3.0	4.07	Daily
Kleinwort Benson Private Bank (a division of Kleinwort Benson Investment Management Ltd) 130 Kentish Town Road, London NW5 2BT 071-267 1666				
H.I.C.A. (£2,500+)	5.50	4.125	[illegible]	Daily
Lloyds Bank – Investment Account 71 Lombard St, London EC3P 3BS 0272 433372				
£100,000 and above	5.25	3.94	5.25	Yearly
£50,000+	5.15	3.86	5.15	Yearly
£25,000+	4.95	3.71	4.95	Yearly
£10,000+	4.75	3.56	4.75	Yearly
Midland Bank plc PO Box 2, Sheffield 071 260 8430				
Exchequer Acc £5000+	3.75	2.81	3.75	Yearly
£10,000+	4.00	3.00	4.00	Yearly
£25,000+	5.00	3.75	5.00	Yearly
£50,000+	5.50	4.12	5.50	Yearly
TESSA	6.25	-	6.25	Yearly
Nationwide Bldg Soc – Businessinvestor Business High Interest Cheque Account Pipers Way, Swindon, SN38 1NW 0800 302010				
£2,000-£4,999	3.30	2.48	3.34	Qtr
£5,000-£9,999	3.80	2.85	3.85	Qtr
£10,000-£24,999	4.30	3.23	4.37	Qtr
£25,000-£49,999	4.80	3.60	4.89	Qtr
£50,000+	5.30	3.98	5.41	Qtr
Portman Bldg Soc Prestige Cheque Account Richmond Hill, Bournemouth, BH2 6EP 0800 363863				
£50,000+	5.50	4.13	5.50	Yearly
£30,000-£49,999	5.00	3.75	5.00	Yearly
£20,000-£29,999	4.50	3.38	4.50	Yearly
£10,000-£19,999	3.80	2.85	3.80	Yearly
£2,500-£9,999	2.50	1.88	2.50	Yearly
Rea Brothers Limited, Bankers Alderman's Walk, London EC2M 3XR 071-623 1155				
Professionals' Client Account.	5.25	3.94	5.36	Mth
Professionals' Office Account	4.75	3.56	4.85	Mth
Equity-Interest/Access Day Ac.	4.75	3.56	4.39	Qtr
Royal Bank of Scotland plc Premium Acc 42 St Andrew Sq, Edinburgh EH2 2YE 031-556 8302				
£50,000+	3.75	2.81	3.80	Qtr
£25,000 – £49,999	3.50	2.63	3.55	Qtr
£10,000 – £24,999	2.75	2.06	2.78	Qtr
£5,000 – £9,999	2.50	1.88	2.52	Qtr
£2,000 – £4,999	1.50	1.13	1.51	Qtr
Save & Prosper/Robert Fleming 16-22 Western Rd, Romford RM1 3LB. 0800 282101				
Client Account	4.13	3.10	4.21	Daily
TESSA Fixed 1 Year	5.84	-	6.00	Mth
TESSA Variable	4.89	-	5.00	Mth
Tyndall Bank plc 29-33 Princess Victoria St, Bristol 0272 744720				
HIMA £5000+/Master Plus	3.500	2.625	3.546	Qtr
Demand/HIMA £10000+	3.625	2.719	3.675	Qtr
HIMA £50000+	3.750	2.813	3.803	Qtr
HIMA £100000+	3.875	2.906	3.932	Qtr
Tyndall TESSA	4.375	-	4.447	Qtr
United Dominions Trust Ltd PO Box 62, Harrow, EN4 0DY 081-447 2438 Capital Plus Cheque Account				
£1,000+	5.25	3.94	5.00	Qtr
United Trust Bank Ltd (formerly ULC) 1 Great Cumberland Pl, London W1H 7AL 071-258 0084				
£10,000-90 day notice	6.75	5.06	6.92	3-Mth
£10,000-180 day notice	7.50	5.63	7.64	6-Mth
£25,000 – 1 Year	7.25	5.44	-	Yearly
J. Henry Schroder Wagg & Co Ltd 120 Cheapside, London EC2V 6DS 071-382 6000				
Special Acc.	3.25	2.44	3.29	Mth
£10,000 and above	3.500	2.63	3.54	Mth
Western Trust High Interest Cheque Acc The Moneycentre, Plymouth PL1 1SE 0752 224141				
£15,000+	5.25	3.94	5.36	Qtr
£5,000-£14,999	5.00	3.75	5.09	Qtr
£1,000-£4,999	4.75	3.56	4.84	Qtr

NOTES– Gross: Contracted rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate'. Int Cr: Frequency at which interest is credited to the account.

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Sep 15		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	19.16	16.61	4.855	2.034	4914	5.448	21.33	494.8	403.0	23.51	4.030	2.008	4.249	3.141	312.0	2.552
Denmark	(DKr)	52.12	10	8.660	2.531	1.060	2561	2.840	11.12	257.8	210.1	12.26	2.101	1.047	2.215	1.637	162.7	1.330
France	(FFr)	60.19	11.55	10	2.922	1.224	2957	3.279	12.84	297.8	242.6	14.16	2.426	1.209	2.557	1.890	187.8	1.536
Germany	(DM)	20.60	3.951	3.422	1	0.416	1012	1.122	4.392	101.9	83.00	4.843	0.830	0.414	0.875	0.647	64.27	0.526
Ireland	(I£)	49.16	9.431	8.168	2.387	1	2416	2.678	10.48	243.2	198.1	11.56	1.981	0.987	2.089	1.544	153.4	1.255
Italy	(L)	2.035	0.390	0.338	0.099	0.041	100.	0.111	0.434	10.07	8.202	0.479	0.082	0.041	0.086	0.064	6.351	0.052
Netherlands	(Fl)	18.36	3.522	3.050	0.891	0.373	902.0	1	3.914	90.82	73.98	4.316	0.740	0.369	0.780	0.576	57.26	0.468
Norway	(NKr)	46.89	8.996	7.791	2.277	0.954	2304	2.555	10	232.0	189.0	11.03	1.890	0.942	1.992	1.473	146.3	1.197
Portugal	(Es)	20.21	3.877	3.358	0.981	0.411	993.1	1.101	4.310	100.	81.45	4.752	0.815	0.406	0.859	0.635	63.07	0.516
Spain	(Pta)	24.81	4.760	4.123	1.205	0.505	1219	1.352	5.291	122.8	100.	5.835	1.000	0.498	1.054	0.779	77.43	0.633
Sweden	(SKr)	42.53	8.159	7.066	2.065	0.866	2090	2.317	9.069	210.4	171.4	10	1.714	0.854	1.807	1.336	132.7	1.085
Switzerland	(SFr)	24.81	4.760	4.123	1.205	0.506	1219	1.352	5.291	122.8	100.0	5.836	1	0.498	1.054	0.779	77.43	0.633
UK	(£)	49.80	9.554	8.274	2.416	1.013	2447	2.715	10.62	246.4	200.7	11.71	2.007	1	2.116	1.564	155.4	1.271
Canada	(C$)	23.53	4.515	3.910	1.143	0.479	1156	1.282	5.019	116.4	94.85	5.534	0.948	0.473	1	0.739	73.44	0.601
US	($)	31.84	6.109	5.290	1.546	0.648	1565	1.735	6.790	157.5	128.3	7.487	1.283	0.639	1.353	1	99.36	0.815
Japan	(Y)	32.05	6.148	5.324	1.556	0.652	1575	1.746	6.834	158.5	129.2	7.535	1.292	0.644	1.362	1.006	100.	0.818
Ecu		39.18	7.517	6.510	1.902	0.797	1925	2.135	8.356	193.9	157.9	9.213	1.579	0.787	1.665	1.231	122.3	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

EMS EUROPEAN CURRENCY UNIT RATES

Sep 15	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Netherlands	2.19672	2.14820	+0.00201	-2.21	5.25	-
Belgium	40.2123	39.4223	+0.0342	-1.96	4.98	14
Germany	1.94964	1.91552	+0.00214	-1.75	4.75	-
Ireland	0.808628	0.803199	-0.001603	-0.67	3.62	5
France	6.53883	6.54881	-0.00002	0.15	2.78	-1
Portugal	192.854	194.971	-0.145	1.10	1.80	-7
Denmark	7.43679	7.56171	+0.00106	1.68	1.22	-12
Spain	154.250	158.755	-0.314	2.92	0.00	-20
NON ERM MEMBERS						
Greece	264.513	291.825	+0.549	10.33	-6.71	-
Italy	1793.19	1940.01	-2.85	8.19	-4.87	-
UK	0.786749	0.791956	-0.002304	0.66	2.24	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	0.6504	0.6460	-0.0025	0.6504	0.6454	8,249	60,711
Dec	0.6485	0.6456	-0.0028	0.6485	0.6453	38,872	61,489
Mar	0.6472	0.6463	-0.0028	0.6472	0.6463	83	3,721

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	1.0080	1.0068	-0.0015	1.0080	1.0066	7,043	34,321
Dec	1.0151	1.0133	-0.0016	1.0152	1.0125	26,129	35,702
Mar	-	1.0215	-	-	1.0215	76	2,127

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

Strike Price	CALLS Sep	Oct	Nov	PUTS Sep	Oct	Nov
1.450	-	-	-	-	-	-
1.475	0.99	8.56	8.56	-	-	0.03
1.500	6.19	0.16	0.16	-	0.03	0.27
1.525	3.69	3.93	3.93	-	0.27	0.69
1.550	1.26	2.11	2.11	-	0.89	2.15
1.575	-	0.86	0.83	1.16	2.16	3.99

Previous day's vol., Calls 8,099 Puts 6,266 . Prev. day's open int., Calls 570,629 Puts 511,151

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	0.7780	0.7785	-0.0020	0.7808	0.7780	0,199	23,154
Dec	0.7826	0.7809	-0.0017	0.7827	0.7786	26,291	31,212
Mar	0.7840	0.7830	-0.0021	0.7840	0.7830	45	284

■ STERLING FUTURES (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	1.5680	1.5630	-0.0024	1.5680	1.5624	4,092	23,463
Dec	1.5630	1.5604	-0.0024	1.5644	1.5590	11,478	26,748
Mar	1.5590	1.5590	-	1.5600	1.5590	27	201

WORLD INTEREST RATES

MONEY RATES

September 15	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	4¾	5⅛	5½	5⅞	6⅜	7.40	4.50	-
week ago	4¾	5⅛	5⅜	5⅞	6½	7.40	4.50	-
France	5⅜	5⅜	5⅝	5⅞	6⅜	5.00	-	6.75
week ago	5⅜	5⅝	5⅝	5⅞	6⅜	5.00	-	6.75
Germany	4.93	4.95	5.03	5.16	5.53	6.00	4.50	4.85
week ago	4.88	4.95	4.95	5.10	5.45	6.00	4.50	4.85
Ireland	4⅜	5½	6⅛	6⅝	7¼	-	-	6.25
week ago	4⅞	5¼	5⅞	6⅜	7¼	-	-	6.25
Italy	8½	8¼	8⅞	9½	10⅛	-	7.50	8.45
week ago	8½	8¼	8⅞	9⅛	10¼	-	7.50	8.45
Netherlands	4.84	5.01	5.07	5.24	5.62	-	5.25	-
week ago	4.84	5.01	5.02	5.18	5.50	-	5.25	-
Switzerland	3⅜	3⅞	4⅛	4⅛	4¾	6.625	3.50	-
week ago	3⅜	3⅞	4⅛	4¼	4¾	6.625	3.50	-
US	4¾	4⅞	5	5¼	5⅞	-	4.00	-
week ago	4⅞	4⅞	4⅞	5¼	5¾	-	4.00	-
Japan	2⅛	2⅜	2¼	2⅛	2⅞	-	1.75	-
week ago	2½	2⅛	2¼	2⅛	2⅞	-	1.75	-
■ $ LIBOR FT London								
Interbank Fixing	-	4⅞	5⅛	5⅝	5⅞	-	-	-
week ago	-	4⅞	5	5⅝	5⅞	-	-	-
US Dollar CDs	-	4.66	4.82	5.12	5.69	-	-	-
week ago	-	4.65	4.80	5.07	5.58	-	-	-
SDR Linked Ds	-	3¾	3⅞	3¾	4	-	-	-
week ago	-	3¾	3⅞	3¾	4	-	-	-

ECU Linked Ds mid rates: 1 mth: 5⅝; 3 mths: 5¾; 6 mths: 6¼; 1 year: 6⅝. $ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Sep 15	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	4 11/16 - 4 9/16	5 - 4⅞	5⅛ - 5	5½ - 5⅜	5⅞ - 5¾	6⅝ - 6½
Danish Krone	5¾ - 5⅝	5⅞ - 5½	6⅛ - 5⅞	6¾ - 6½	7⅜ - 7¼	7 13/16 - 7⅝
D-Mark	5 - 4⅞	5 - 4⅞	5 - 4⅞	5 1/16 - 4 15/16	5 3/16 - 5⅛	5⅝ - 5½
Dutch Guilder	5 1/16 - 4 15/16	5 - 4⅞	5 1/16 - 4 15/16	5⅛ - 5	5¼ - 5⅛	5 11/16 - 5 9/16
French Franc	5⅝ - 5½	5 9/16 - 5 7/16	5⅝ - 5½	5 11/16 - 5 9/16	6 1/16 - 5 15/16	6 9/16 - 6 7/16
Portuguese Esc.	12⅛ - 11⅞	9⅞ - 9½	10⅛ - 9½	11⅛ - 10½	11⅛ - 10½	11⅛ - 10⅝
Spanish Peseta	7⅛ - 7⅛	7½ - 7⅛	7⅝ - 7½	7⅞ - 7¾	8⅜ - 8¼	9 - 8⅞
Sterling	5 - 4⅞	6⅛ - 5	5⅜ - 5¼	5¾ - 5 11/16	6¼ - 6⅛	7 3/16 - 7 1/16
Swiss Franc	3⅝ - 3¼	3⅝ - 3½	3⅞ - 3¾	4 - 3⅞	4 3/16 - 4 1/16	4⅝ - 4½
Can. Dollar	5⅜ - 5¼	5¼ - 5⅛	5 7/16 - 5 5/16	5 9/16 - 5 7/16	5 15/16 - 5 13/16	6⅝ - 6½
US Dollar	4 11/16 - 4 9/16	4 11/16 - 4 9/16	4⅞ - 4¾	5 1/16 - 4 15/16	5 5/16 - 5 3/16	6 - 5⅞
Italian Lira	9 - 7½	8¼ - 8	8⅝ - 8½	8 15/16 - 8 13/16	9⅝ - 9½	10⅝ - 10½
Yen	2 3/16 - 2 1/16	2¼ - 2⅛	2⅜ - 2¼	2⅜ - 2¼	2 13/16 - 2 11/16	2⅞ - 2 11/16
Asian $Sing	3⅞ - 3¾	3⅞ - 3¾	4 7/16 - 4 5/16	4⅝ - 4½	5 5/16 - 5 3/16	5 15/16 - 5 13/16

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	94.37	94.37	-	94.38	94.36	6,492	38,627
Dec	93.90	93.93	+0.02	93.94	93.89	16,443	48,837
Mar	93.42	93.46	+0.01	93.47	93.41	5,574	29,704
Jun	93.07	93.09	-	93.10	93.04	2,352	27,295

■ THREE MONTH EURODOLLAR (LIFFE)* $1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	94.95	94.96	+0.02	94.95	94.95	234	8161
Dec	94.28	94.30	+0.04	94.28	94.28	17	2135
Mar	-	93.95	+0.06	-	-	0	1364
Jun	-	93.60	+0.06	-	-	0	283

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	94.94	94.94	+0.01	94.96	94.92	14577	121873
Dec	94.71	94.74	+0.04	94.75	94.68	33673	189786
Mar	94.31	94.34	+0.05	94.35	94.27	27215	170786
Jun	93.92	93.94	+0.03	93.95	93.87	15736	103446

■ THREE MONTH EUROLIRA INT.RATE FUTURES (LIFFE) L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	91.22	91.30	+0.11	91.30	91.22	2062	18236
Dec	89.98	90.15	+0.23	90.18	89.96	8653	31306
Mar	89.33	89.48	+0.25	89.48	89.31	5150	19681
Jun	88.91	89.07	+0.25	89.05	88.90	614	14807

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	95.93	95.96	+0.03	95.97	95.93	1546	13899
Dec	95.56	95.62	+0.08	95.64	95.55	8571	21230
Mar	95.19	95.21	+0.04	95.21	95.17	1742	12720
Jun	94.88	94.89	+0.05	94.89	94.87	990	8485

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	94.06	94.00	+0.01	94.07	94.03	679	8028
Dec	93.44	93.45	+0.01	93.47	93.37	1892	7186
Mar	92.91	92.91	+0.01	92.93	92.86	603	4812
Jun	92.48	92.48	-0.01	92.51	92.48	413	2133

* LIFFE futures traded on APT

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	94.94	94.94	+0.01	94.95	94.93	35,993	321,097
Dec	94.28	94.29	+0.02	94.29	94.27	72,770	503,199
Mar	93.92	93.93	+0.02	93.93	93.91	75,874	384,245

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	-	95.42	+0.03	-	-	1,899	3,987
Dec	94.86	94.84	-	94.86	94.84	869	11,464
Mar	94.43	94.43	-	94.43	94.43	15	5,316

All Open interest figs. are for previous day

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

Strike Price	CALLS Sep	Oct	Nov	Dec	PUTS Sep	Oct	Nov	Dec
9475	0.16	0.08	0.10	0.14	0	0.09	0.11	0.15
9500	0.01	0.02	0.03	0.05	0.07	0.28	0.29	0.31
9525	0	0	0.01	0.02	0.31	0.51	0.52	0.53

Est. vol. total, Calls 3466 Puts 13810. Previous day's open int., Calls 264596 Puts 211181

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Sep	Dec	Mar	PUTS Sep	Dec	Mar
9575	0.21	0.06	0.06	0	0.19	0.62
9600	0.01	0.02	0.03	0.05	0.40	0.84
9625	0	0.01	0.02	0.29	0.64	1.06

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 3265 Puts 1755

UK INTEREST RATES

LONDON MONEY RATES

Sep 15	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	5⅛ - 2	5 1/16 - 4⅞	5 7/16 - 5 5/16	5 13/16 - 5 11/16	6⅜ - 6¼	7 3/16 - 7 1/16
Sterling CDs	-	-	5 7/16 - 5¼	5¾ - 5 11/16	6 5/16 - 6 3/16	7⅛ - 7
Treasury Bills	-	-	5 5/16 - 5 3/16	5⅝ - 5½	-	-
Bank Bills	-	-	5 5/16 - 5 3/16	5⅝ - 5 9/16	6 - 5⅞	-
Local authority deps.	5 1/16 - 4 15/16	5 1/16 - 4 15/16	4 15/16 - 4 13/16	5⅜ - 5¼	5 15/16 - 5 13/16	6 13/16 - 6 11/16
Discount Market deps	5 - 3¾	4⅞ - 4¾	-	-	-	-

UK clearing bank base lending rate 5¾ per cent from September 12, 1994

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	1½	4	3¾	3¾	3½

Certs of Tax dep. under £100,000 is 1½pc. Deposits withdrawn for cash ½pc.
Ave. tender rate of discount 5.0940pc. ECGD fixed rate Stg. Export Finance. Make up day Aug 31, 1994. Agreed rate for period Sep 26, 1994 to Oct 25, 1994, Schemes II & III 6.85pc. Reference rate for period July 30, 1994 to Aug 31, 1994, Schemes IV & V 5.573pc. Finance House Base Rate 5½pc from Sep 1, 1994

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	94.14	94.17	+0.04	94.18	94.15	6655	81141
Dec	93.25	93.27	+0.04	93.29	93.22	25664	144661
Mar	92.46	92.43	-	92.48	92.39	12766	76627
Jun	91.92	91.86	-0.03	91.94	91.82	8122	56262

Traded on APT. All Open interest figs. are for previous day.

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

Strike Price	CALLS Sep	Dec	Mar	PUTS Sep	Dec	Mar
9400	0.18	0.02	0.01	0.01	0.75	1.58
9425	0.01	0.01	0	0.09	0.99	1.82
9450	0	0	0	0.33	1.23	2.07

Est. vol. total, Calls 9038 Puts 4227. Previous day's open int., Calls 350917 Puts 312304

BASE LENDING RATES

	%
Adam & Company	5.75
Allied Trust Bank	6.25
AIB Bank	5.75
●Henry Ansbacher	5.75
Bank of Baroda	5.75
Banco Bilbao Vizcaya	5.75
Bank of Cyprus	5.75
Bank of Ireland	5.75
Bank of India	5.75
Bank of Scotland	5.75
Barclays Bank	5.75
Brit Bk of Mid East	6.25
●Brown Shipley & Co Ltd	5.75
CL Bank Nederland	5.75
Citibank NA	5.75
Clydesdale Bank	5.75
The Co-operative Bank	5.75
Coutts & Co	5.75
Credit Lyonnais	5.75
Cyprus Popular Bank	5.75
Duncan Lawrie	5.75
Exeter Bank Limited	6.75
Financial & Gen Bank	6.5
●Robert Fleming & Co	5.75
Girobank	5.75
●Guinness Mahon	5.75
Habib Bank AG Zurich	5.75
●Hambros Bank	5.75
Heritable & Gen Inv Bk.	5.75
●Hill Samuel	5.75
C. Hoare & Co	5.75
Hongkong & Shanghai	5.75
Julian Hodge Bank	5.75
●Leopold Joseph & Sons	5.75
Lloyds Bank	5.75
Meghraj Bank Ltd	5.75
Midland Bank	5.75
* Mount Banking	6
NatWestminster	5.75
●Rea Brothers	5.75
* Roxburghe Guarantee Corporation Limited is no longer authorised as a banking institution.	6
Royal Bk of Scotland	5.75
●Smith & Williamson Secs.	5.75
TSB	5.75
●United Bk of Kuwait	5.75
Unity Trust Bank Plc	5.75
Western Trust	5.75
Whiteaway Laidlaw	5.75
Yorkshire Bank	5.75

● Members of London Investment Banking Association
* In administration

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Sep 15 / Sch)

		+/-	High	Low	Yld	P/E
AusAir	2,000	...	2,200	1,750	2.4	—
BkAust	975	+5	1,270	970	0.8	—
CredPf	632	-8	834	630	1.6	—
EA Gen	3,110	-30	4,290	3,110	0.5	—
EVN	1,400	-8	1,713	1,180	1.3	—
Lenzng	1,208	-2	1,387	1,050	0.4	—
Mayr-M	630	-3	744	586	...	—
OeMv	1,030	-5	1,067	845	1.4	—
PerlZm	937	+2	1,050	885	2.1	—
RadexH	458	-2	488	403	2.2	—
StayrD	221	-3	256	171	2.7	—
VA Tec	1,150	-2	1,190	874	...	—
VeitMg	352	-3	406	326	1.7	—
VoeBrA	701	+1	791	546	2.3	—
VntAir	450	-5	600	430	1.8	—
Wienbg	3,815	-5	4,340	3,411	1.0	—

BELGIUM/LUXEMBOURG (Sep 15 / Frs.)

		+/-	High	Low	Yld	P/E
AckAmro	4,315	..	4,450	3,705	1.7	...
Almanij	7,790	...	8,890	7,510	3.1	—
Arbed	4,700	+50	5,300	4,000	...	—
BBL	4,090	-10	4,580	3,890	4.8	—
BknLx	18,700	...	19,800	16,050	2.7	—
BGnLPt	22,050	+550	38,950	22,050	2.9	—
BnqNtB	38,525	-625	42,975	35,800	5.7	—
Barco	2,430	...	2,850	2,105	1.3	—
Bekrt	25,425	...	28,500	20,350	1.6	—
CBRCim	12,275	+175	13,075	11,800	2.8	—
CMB	2,490	-5	2,700	2,190	3.5	—
Cobepa	5,530	-10	6,200	5,460	4.2	—
CrkdP	200	+1	215	154	0.5	—
Colryt	7,590	+100	8,000	6,100	1.6	—
Dlhaiz	1,290	+20	1,550	1,220	2.1	—
Electb	6,510	-90	6,820	5,450	7.6	—
ElecAC	3,100	...	3,781	3,070	4.3	—
Fortis	2,580	-30	2,870	2,480	...	—
GBL	4,170	-50	4,590	3,820	4.7	—
GBLatv	4,020	-80	4,470	3,850	4.9	—
GB Gp	1,440	+30	1,980	1,320	2.5	—
GenBnq	8,080	...	9,180	7,900	5.7	—
Gevaert	9,540	-40	10,600	8,880	1.8	—
Glavbel	4,825	-225	5,550	4,180	2.4	—
Immobl	3,090	+100	3,695	2,760	4.8	—
Kredbk	6,350	-40	8,200	6,300	1.8	—
KrdkAF	6,400	-50	7,550	6,370	1.0	—
Mcrwer	6,190	...	8,400	6,000	4.2	—
Mosane	1,440	...	1,630	1,440	8.6	—
PanLux	18,600	...	19,400	16,000	...	—
Petfna	10,175	+25	10,775	9,306	2.8	—
Pwrfin	2,800	-5	3,660	2,705	5.0	—
Rctlcl	518	...	588	420	3.4	—
RyBelg	5,000	+145	6,200	4,840	4.3	—
RyBAFV	4,710	-80	5,550	4,710	4.3	—
SocGnB	2,230	+5	2,636	2,125	5.1	—
SGnAFV	2,255	...	2,536	2,105	4.8	—
Sofina	13,900	+50	15,700	13,150	4.6	—
Solvac	1,550	...	1,675	1,462	0.7	—
Solvay	14,700	-125	17,350	13,750	4.9	—
Trctbl	8,870	+20	11,800	9,400	4.8	—
UCB	24,150	+25	28,700	22,200	2.4	—
UnMin	2,675	+20	2,930	2,440	4.5	—

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are for 1994, except Toronto & Montreal (daily). ‡ Dealings suspended, xd Ex dividend, xc Ex scrip issue, xr Ex rights, xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Thursday, September 15, 1994

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Toyota Motor	12.0m	2,020	-80	Mitsubishi Hvy	3.9m	753	-16
Nippon Steel	6.8m	377		Sumitomo Bank	2.9m	1,870	+10
Tsumura	6.2m	1,050	-120	Nissan Motor	2.7m	785	-8
Chiba Bank	5.2m	872	-9	NKK	2.7m	279	
Kawasaki Steel	4.3m	428		Magara Const	2.4m	905	-65

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Sep	1963.0	1987.0	+29.0	1990.0	1956.0	16,761	39,396
Oct	1971.0	1996.5	+29.5	1996.5	1967.0	-	15,192
Dec	1981.0	2016.0	+29.0	2015.0	1988.0	436	4,334

Open interest figures for previous day.

■ NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Close price	Change on day
Hanson	25,097,700	18⅝	-⅛
Wal-Mart	5,198,500	25⅛	-⅛
RJR Nabisco	5,192,600	6⅞	+⅛
Am Express	4,259,300	21⅝	+1⅛
Dei Edis	4,096,700	25⅞	-⅛
Ford Motor	3,708,500	29⅜	+⅛
Gen Motors	2,836,500	50⅛	+⅛
CompUSA	2,711,900	12	+2⅛
A T & T	2,597,800	54⅛	+⅛
Borden	2,545,600	13⅝	+⅛

■ TRADING ACTIVITY

● Volume (million)

	Sep 14	Sep 13	Sep 12
New York SE	297.438	293.282	244.659
Amex	19.831	17.390	13.376
NASDAQ	264.341	256.845	202.109
NYSE			
Issues Traded	2,853	2,861	2,889
Rises	1,083	1,112	761
Falls	1,043	985	1,385
Unchanged	727	764	743
New Highs	31	43	32
New Lows	84	88	75

1 Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

4 pm close September 15

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

- B -

- C -

- D -

- E -

- F -

- G -

- H -

- I -

- J -

- K -

- L -

- M -

- N -

- O -

- P - Q -

- R -

- S -

Continued on next page

4 pm close September 15

NYSE COMPOSITE PRICES

Continued from previous page

1994 High	Low	Stock	Div	Yld. %	P/ E	Sls 100s	High	Low	Close Quote	Chng. Prev. Close
49⅞	32⅝	Sallie Mae	1.48	3.8	7	1667	37	36⅞	37	+⅛
13⅞	11⅞	Salomon Br	0.32	2.5		140	12⅞	12⅝	12¾	
52¾	40⅝	Salston	0.64	1.6	5	2214	41¼	40¾	41¼	+¼
25	17½	SnDgGE x	1.52	8.3	9	674	18⅝	18¼	18⅜	+⅛
10	7½	SantaFeERs	0.18	1.8	0	1480	9⅛	9	9	-¼
17⅝	13½	SFeGd				1037	16½	16⅛	16⅞	-⅜
40	31½	SantaFePac	2.80	8.0	18	15	35¼	35	35	+¼
24¼	18½	SantFeP	0.10	0.4	12	2904	22⅝	22⅛	22½	+¼
26	19⅞	SaraLee	0.64	2.8	15	17586	23⅛	22	23¼	+¼
50⅛	42⅛	Scana Corp x	2.82	6.4	11	285	44	43⅛	44	+1¼
20½	12½	Sceptr	1.00	7.7	0	3537	13	12⅞	13	+⅜
41¼	31⅞	SchererRP			30	242	40⅝	40⅛	40⅜	+⅛
71⅞	64½	SchPl	2.84	2.9	16	2641	69⅛	68	69⅜	+¼
63	50¾	Schlmb	1.20	2.1	23	4274	56⅛	55⅞	56⅛	+½
33⅞	23¾	Schwab(C)	0.28	0.9	14	2775	30	28⅞	29½	+1⅛
16¾	6⅛	Schwitzer			25	38	0	6⅞	6⅞	-⅛
45	24⅞	SciAtl x	0.12	0.3	89	2404	u45¼	44¼	44⅞	+⅝
16⅞	13	Scotmn	0.10	0.6	15	42	16	15⅞	16	
66⅞	37¼	ScottP	0.80	1.3	17	3040	64¼	63¾	63⅞	-¼
26⅞	15⅛	ScuddrNAsF	0.21	0.8		13	24⅞	24¾	24¾	
12⅞	9½	ScuddrNEuF	0.16	1.6		122	10⅛	10¼	10¼	-⅛
19¾	13½	SeaCnB	0.70	3.9	8	48	17⅞	17⅛	17¾	+⅛
16½	14⅞	SeaC1.4625	1.49	9.5		z100	15⅛	15⅛	15⅛	
32⅞	26¼	Seagrm x	0.85	1.0	46	1724	31⅞	31⅞	31½	+¼
29¾	22¾	Seagull En			32	934	25¼	24¾	25	-⅛
38¼	26⅝	Sealed Air			25	358	33¼	33¼	33¼	-¼
55⅛	42⅞	SearsR	1.60	3.1	8	8797	51⅞	49¾	51⅞	+1⅛
13¾	11¼	Seligm Sel	0.84	7.1		7	11⅞	11⅞	11⅞	
39¼	26	Sensormat	0.22	0.7	34	2798	33¾	33	33¾	+¾
39⅞	27¼	SequaA	0.60	2.2	8	32	27¾	27¾	27¾	
40¼	30	SequaB	0.00	1.8	17	15	32¾	31⅞	32¼	+⅛
26	22½	ServiCp	0.42	1.8	21	1798	28⅜	26⅛	28¼	
28⅛	22	SvMstr	0.92	3.6	13	281	25½	25¾	25¾	-¼
25	14⅞	Shaw Ind	0.22	1.5	17	30407	14½	d13⅞	14¼	-¼
25	19¼	Shawmut Nt	0.88	3.6	28	2835	22⅝	22⅛	22½	+½
14⅜	9¾	Shelby Wlt	0.28	2.8	21	21	10	d9¾	9⅞	
70⅛	56⅞	ShellTr	3.07	4.5	21	939	67¾	67½	67⅝	
35¾	28½	ShrW	0.56	1.7	17	1328	32¾	32¼	32⅝	+½
25⅝	13⅝	Shoneys			18	1106	14⅜	14⅜	14⅝	
22⅞	13¼	ShowBoat x	0.10	0.7	15	959	14	d13⅛	14	+¾
20⅜	17¼	Sierra Pac	1.12	5.8	11	115	19⅜	19	19⅜	+¼
8¼	5⅜	SignalApp			1	30	7¼	6⅞	6⅞	
43⅞	34½	Signet Bnk	1.00	2.6	12	2633	30	37⅛	37⅜	+½
28⅞	18¾	SiliconGr			31	2301	24⅞	24⅜	24⅜	+⅛
13⅞	11¼	Sizeler	1.12	8.8	34	56	12¾	12⅜	12¾	
9⅞	5⅛	Sizzler	0.18	2.4	2	179	6⅞	6½	6⅞	+⅛
24⅛	17⅞	Skyline x	0.48	2.2	20	217	21¾	21½	21¾	
5	3½	SL Inds	0.06	1.5	15	2	4⅛	4⅛	4⅛	+⅛
6½	4⅛	SmithCoro x	0.20	4.2	79	320	4¾	4⅝	4¾	+⅛
17⅝	8⅜	SmRnln			117	4169	15½	14¾	15¼	+½
35¾	26⅜	SKBchA	0.95	2.8	17	6	34	33¾	34	+½
32¼	23⅞	SKBEqU	1.17	3.8		1715	30⅞	30½	30⅞	+⅝
24⅜	18⅞	Smitns Fd	0.52	2.2	15	680	23⅝	23	23⅝	+½
28	20½	Smucker J	0.50	2.1	18	151	23⅞	22⅞	23⅞	+⅞
44⅜	34⅜	SnpOnT	1.08	3.0	17	528	36⅜	35⅞	36¼	+½
21⅞	17⅛	Snyder Oil x	0.26	1.4	23	559	18⅝	18¼	18⅝	+¼
34	23⅛	Solectron			20	2183	28⅞	27⅝	27⅞	-1
34⅞	26	Sonat	1.00	3.3	10	509	32⅝	32	32½	+⅛
83¾	49⅞	Sony	0.47	0.9	134	116	56¼	56	56⅛	-⅛
19¾	11¾	Sothebys x	0.24	1.8	64	601	13¼	12¾	12⅞	+⅛
46⅞	40	Source Cap	3.60	0.7		24	41⅞	41⅞	41½	-⅜
45¼	32	SouthCo5% x	2.00	7.8		z100	32	d32	32	
24	17½	SthJersInd x	1.44	7.8	11	95	18⅜	18¼	18⅜	+⅜
30	18⅞	Sthdwn	0.50	2.3	103	328	21¾	21⅛	21¾	+½
22	16	SCalWt	1.20	6.7	6	37	18	17⅞	18	+¼
22	18⅛	SthNatCp	0.80	3.7	8	140	21⅜	21⅛	21⅜	+⅛
22	17⅛	SthnCo	1.18	6.8	5	4931	18	17½	18	+⅛

AMEX COMPOSITE PRICES

4 pm close September 15

NASDAQ NATIONAL MARKET

4 pm close September 15

AMERICA

US stocks make gains on fresh data

Wall Street

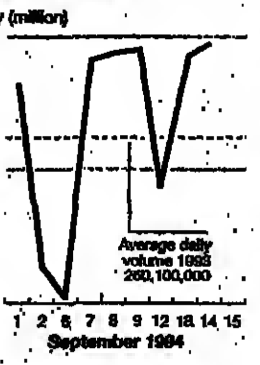
US stocks posted solid gains yesterday morning after a regional economic survey helped to dispel the market's worst fears on inflation, *writes Frank McGurty in New York.*

By 1 pm, the Dow Jones Industrial Average was 20.86 ahead at 3,916.19, close to its highest level of the session. The more broadly based Standard & Poor's 500 was 2.80 firmer at 471.60, as advancing issues outnumbered declines on the Big Board by a two-to-one margin.

However, volume on the Big Board was lighter than usual, with 146m shares exchanged by early afternoon. Many investors were sidelined in observance of Yom Kippur, the Jewish day of atonement.

In the secondary markets, the American SE composite was up 1.22 at 458.55 and the Nasdaq composite was 5.52 better at 774.13.

NYSE volume



The welcome suggestion on inflation was contained in the monthly survey of business conditions conducted by the Federal Reserve Bank of Philadelphia. In the report, indices measuring the prices paid and received by manufacturers showed sharp declines, in a surprising reversal of the trend which surfaced in the latest survey by the National Association of Purchasing Management.

The Treasury market seized on the report as a positive indication of the direction of prices in the coming months. Bonds across the board were showing moderate improvement by midday, though many traders were waiting for today's data on industrial production and capacity utilisation before committing themselves.

Equity investors also regained a measure of confidence, which had been badly undermined at the end of last week by news of a big upturn in August producer prices.

At the opening, stocks began slowly but steadily built up momentum as the morning unfolded. By early afternoon, the blue chips were solidly ahead. Procter & Gamble assumed the lead, climbing $2 to $60¼. Caterpillar, a bellwether cyclical stock, advanced $1⅝ to $56⅝.

In other stocks closely linked to the economic cycle, Deere gained $1⅛ to $78 and Clark Equipment was $1⅞ stronger at $69⅝.

The NYSE's most active issue was ITT, which fell $1⅞ to $79⅞ on heavy volume of nearly 3m shares. The activity followed the disclosure that the company was planning to sell some of its financial services businesses to finance a strategic push into media and entertainment. The prospect of such a move prompted Goldman Sachs to downgrade the issue.

For a second day in a row, CompUSA's share price appreciated in brisk activity. The stock climbed $⅝, or a further 6 per cent, to $12⅞ amid speculation that the company would merge with or be acquired by another computer retailer.

Tektronix, an electronics manufaturer, surged $4 to $38⅛. Late on Wednesday, the company said net income in its first fiscal quarter jumped 64 per cent on strong sales of colour computer printers.

On the Nasdaq, the technology sector was showing broad strength. Among the most widely beld issues, Lotus Development gained $1¼ to $43⅝ and Cyrix improved $1⅝ to $44⅞.

Parametric Technology, a software designer, jumped $⅛ to $30⅞ after Salomon Brothers boosted its estimate of the company's 1995 earnings.

Canada

Toronto stocks continued to move bigher at midday, buoyed by strong base metals issues and accelerating transportation shares.

The TSE 300 composite index was up 15.98 at 4,361.01 in turnover of 31.49m shares valued at C$466.98m. Advances led declines by 295 to 268, with 283 issues steady.

Of 14 sub-indices, 11 were higher with transports and base metals heading the list.

Brazil

Shares in São Paulo were down 1 per cent in moderate trade on reports that major state banks were facing liquidity difficulties. The Bovespa index showed a fall of 518 at 54,246 at 11.45 local time in turnover of R$162m ($189m).

Market analysts were also keeping a close eye on new developments in the four-day-old metalworkers' strike in the São Paulo industrial suburbs.

Golds see early falls pared

Gold stocks were lifted off the day's lows by last-minute buying ahead of futures expiry, ending with mild losses on the back of a lower bullion price. Industrials declined on a lack of fresh factors rather than any mark-down, dealers said.

Shares drifted down from the start as investors took to the sidelines to ride out the consolidation in the gold price.

Dealers said the market could see more aggressive selling of gold and mining-related shares if gold dropped below the $388 an ounce support level, but the undertone was still bullish on expectations that the metal would eventually push ahead to $400.

The gold bullion price was still strong in rand terms and much of the expected rise had been discounted in recent share price gains.

The overall index lost 32 at 5,840, the industrial index shed 21 to 6,523 and the golds index was 25 off at 2,428.

De Beers slipped 90 cents to R109.25 and Anglos fell R4 to R244. In golds, Oryx went against the trend to gain 25 cents at R5.50, while Freegold receded R1.25 to R75.25.

EUROPE

Bourses mixed as investors urged to hold cash

A mixed pattern was seen among the Continent's bourses.

Merrill Lynch said yesterday that it was recommending a reduction of its equity holding in preference to cash. It said that it recommended investors to "hold a cash position that is three to four times what we would regard as normal weight at 8 per cent to 12 per cent for equity portfolios and 12 per cent to 18 per cent for balanced funds".

Merrill said the chance that markets would be flat to lower during the next few months suggested that investors should search for an alternative to equities.

ZURICH saw Roche return to centre stage as Goldman Sachs removed the shares from its European recommended for purchase list. The SMI index finished 9.1 down at 2,628.6, having recovered from a low of 2,611.9.

Roche certificates closed SFr105 down at SFr6,050 but up from a day's low of SFr5,940, as Goldman Sachs explained its move, saying that growth in the pharmaceuticals industry slowed in the first half of 1994 as market forces in the US and health care cost reforms in Europe took effect. Other factors included a reduction in the long term growth rates for major divisions, the impact of the Syntex acquisition, disappointing second-quarter sales, the Swiss franc's strength, and a decrease in net cash.

Nestlé, SFr14 lower in the immediate aftermath of its six months' figures, which were at the bottom end of expectations, picked up to finish SFr4 easier at SFr1,216.

Against the trend, bargain hunting among cyclicals took BBC bearers SFr18 higher to SFr1,190.

Ascom put on SFr20 at SFr1,620. Merrill Lynch commented that market expectations were still fairly high and that a number of areas might still cause disappointment in the market over the next 12 to 18 months.

It was too early to ascertain the success of the company's actions to date, but from very cautious comments made last week by the finance director, it was clearly going to be some time before a significant growth in earnings was seen.

FRANKFURT eased back ahead of today's futures and options expiry. The DAX index lost 10.14 at 2,113.98, down from an intraday high of 2,129.50. The Ibis indicated DAX closed at 2,129.38. Turnover came to DM6bn. The Bundesbank's decision to leave interest rates unchanged came as no surprise.

Lufthansa added 50 pfennigs at DM199 after announcing that its supervisory board had agreed to a corporate restructuring – the freight, technical and systems divisions are to start to operate as legally separate units from the beginning of 1995. The shares improved to DM200.70 in late trading.

MILAN was pulled higher by gains in bonds and some short covering on the last day of the September account. The Comit index moved forward 6.41 to 661.34.

Insurers again led the market, on expectations that they will benefit from government reform of the pension system. Generali picked up L700, or 1.7 per cent, to L42,250, also helped by demand ahead of the start of its one-for-10 rights issue that begins today.

Ras put on L900, or 3.7 per cent, at L24,950 and Fondiaria was L380, or 3.6 per cent, ahead at L11,800.

Banks featured BCI, which bounced L140, or 3.8 per cent, to L3,810 in what was seen as a delayed reaction to the end of its rights issue last week.

Olivetti, which said it had increased its share of the European personal computer market, strengthened L75, or 3.7 per cent, to L2,080.

PARIS finished more than 1 per cent higher, helped by a firmer bond market.

The CAC-40 index was finally up 24.36 at 1,977.30, off the session's high of 1,981.80. Turnover was about 3bn.

Saint-Gobain, which released favourable half-year figures after the close, climbed FFr12 to FFr642.

Chargeurs ended unchanged at FFr1,460 after reporting that it had returned to profit in the first half.

AMSTERDAM was interested in Nutricia on speculation that it might be a takeover candidate for Heinz. The stock advanced Fl 2.80 to Fl 88.

The AEX index put on 1.05 at 411.61, after a high of 411.84.

STOCKHOLM was higher in response to lower debt market yields and the performance of other European markets. The Affärsvärlden index rose 7.5 to 1,461.9 in very high turnover of SKr3.6bn.

Analysts suggested that many investors who expected the Social Democrats to win Sunday's general election were taking advantage of the current tax rules to sell. The party has said it will raise tax on share trade gains.

MADRID was boosted by a recovery in the domestic bond market and heavy buying in banks, and the general index gained 4.07 at 304.44 in moderate turnover of Pta28.7bn.

Written and edited by John Pitt and Michael Morgan

FT-SE Actuaries Share Indices

Sep 15					THE EUROPEAN SERIES			
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1362.26	1363.21	1362.48	1360.32	1361.20	1363.06	1365.13	1368.54
FT-SE Eurotrack 200	1408.09	1409.04	1408.50	1407.18	1406.88	1408.47	1412.16	1415.84

	Sep 14	Sep 13	Sep 12	Sep 9	Sep 8
FT-SE Eurotrack 100	1360.68	1367.41	1366.09	1370.03	1380.01
FT-SE Eurotrack 200	1401.55	1412.44	1416.17	1416.30	1431.14

Base 1000 (26/10/90); Highday: 100 - 1368.61; 200 - 1415.84 Lowday: 100 - 1358.57 200 - 1405.84 † Partial

EUROPEAN EQUITIES TURNOVER
Monthly total in local currencies (bn)

Bourse	May 1994	June 1994	July 1994	Aug 1994	US $bn
Belgium	73.09	71.22	43.50	58.27	1.73
France	175.15	215.75	145.26	146.71	27.15
Germany	151.07	165.42	127.41	152.68	96.69
Italy	99,228	59,404	49,940	46,276	29.31
Netherlands	21.80	26.40	18.40	23.90	13.49
Spain	1,340.00	1,308.75	1,282.19	903.85	6.91
Switzerland	26.12	27.63	18.58	18.80	14.14
UK	44.27	46.32	45.16	52.76	81.14

Volumes represent purchases and sales.
Italian data adjusted to include off-market trading. Some figures may be revised.
Source: NatWest Securities

Trading in the European equity markets increased substantially in August, after four months of decline, in a delayed response to rising share prices as most market indices advanced for the second successive month.

Volumes were up by 10.7 per cent from July, having dropped by 17.9 per cent in July. Mr James Cornish at NatWest Securities, which compiles the figures, notes that all the market indices were higher apart from France, Spain and Italy, and these three markets were also the worst performers in August in volume terms.

"International investors continued to take their holidays more seriously than local investors," Mr Cornish adds. "Although there were individual market exceptions, the volume in European stocks traded on Seaq International in London, as a proportion of volume in Continental domestic markets, fell to 15.2 per cent in August, the lowest level since January."

The Netherlands saw the sharpest rise in August volumes, up 29.9 per cent after a 30.3 per cent fall in July. Belgian trading rose by 29.4 per cent and German volume was 19.8 per cent higher.

Swiss domestic volume increased by 1.2 per cent, but the 2.4 per cent rise in the market index was accompanied by a 15.2 per cent decline in the volume of Swiss shares traded on Seaq International, underlining the disenchantment of foreign investors towards the market.

By contrast, France, where volume rose by only 1.0 per cent, saw the proportion of London to domestically traded French shares move up to 42.2 per cent, from 40.3 per cent in July.

Italian volume continued to slide as politics clouded the outlook, while Spain was the month's biggest loser, with volume down by 29.5 per cent.

ASIA PACIFIC

Region is generally easier in the absence of Tokyo

Tokyo was closed yesterday for the Respect for the Aged national holiday.

HONG KONG nudged higher but was unable to erase Wednesday's late losses as the holiday in Tokyo and Sino-British tensions took their toll.

The Hang Seng index finished 16.24 ahead at 9,862.64, after the 90.61 drop on Wednesday. Brokers said the mood was cautious ahead of next week's meeting of the Joint Liaison Group discussing Hong Kong's transition to Chinese rule, following Beijing's attack this week on Governor Chris Patten and the Jardine group.

After the close another Jardine group company, Dairy Farm International, announced thet it was cancelling its secondary listing in Hong Kong.

China has ruled out participation of the Jardine group in a consortium to extend the colony's container port, alleging that the group had won the right to develop the port because of political favouritism.

Jardine Matheson ended steady at HK$74.25 while Jardine Strategic rose 90 cents to HK$33.30 and Dairy Farm gained 10 cents at HK$12.45. Hongkong Land, expected to announce its delisting on Friday, rose 45 cents to HK$20.95.

Property companies found favour late in the session. Cheung Kong put on 10 cents at HK$39.20 and Sun Hung Kai Properties improved 75 cents to HK$58.75.

China-incorporated shares, which funds have been buying recently, climbed again in a market thet showed patchy interest. The Hang Seng index of 11 H shares advanced 13.82 to 1,492.51. Tianjin Bohai rose 4 cents to HK$1.53 and Yizheng Chemicals 5 cents to HK$3.24, both the target of investment from foreign funds.

SINGAPORE saw light selling in several index stocks, and Malaysian shares traded over the counter (OTC) dominated activity. The Straits Times Industrial index declined 17.47 to 2,280.84.

Two companies controlled by Loy Hean Heong, MBf Capital and MBf Holdings, were heavily traded, closing 36 cents up at S$2.04 and 8 cents higher at S$1.27 respectively amid speculation that MBf Capital might be a takeover candidate.

KUALA LUMPUR was interested in MBf Capital on rumours of a takeover bid, and the composite index gained 2.23 at 1,176.06 after an intraday high of 1,179.72.

Reports of a change in ownership sent MBf Capital forward 58 cents, or 20 per cent, to M$3.46 in volume of 31.7m shares. The stock rose 29 cents on Wednesday.

Demand was also seen for holding company MBf Holdings, up 17 cents to M$2.19 on volume of 9.2m shares.

Golden Plus was strong on suggestions that the company was about to announce a construction contract. The stock jumped 70 cents to M$15.90 in volume of 7.2m shares.

SEOUL fell back as many institutional investors unwound shareholdings ahead of next week's three-day holiday closure.

The composite index shed 10.61, or 1.06 per cent, to 988.75, after setting a high for the session of 1,005.70.

Brokers said rumours that the government might unveil measures to cool the market's advance depressed sentiment.

In spite of heavy selling focused on blue chips and large-capitalisation shares, Samsung Electronics made a record high, climbing Won3,000 to Won147,700.

TAIPEI fell back after a volatile session, especially in the financial sector. The weighted index lost 35.21 at 6,989.97 after a day's high of 7,129.07. Turnover was T$105bn.

Investors bought financial stocks as worries abated that the central bank would restrict liquidity. Electronics issues lost early gains as profits were taken. However, brokers anticipated further rises, noting that some stocks had fallen by as much as 15 to 20 per cent since July.

MANILA showed a modest rise on buying of beer group San Miguel and bargain hunting of second line issues. The composite index edged ahead 1.09 to 2,954.46. Turnover came to 1.9bn pesos in volume of 3.2bn shares. San Miguel "A" and "B" shares rose respectively by 0.50 peso to 98.50 pesos and 1 peso to 136 pesos.

Second line stocks were led by Metro Bank, which moved ahead 5 per cent to 840 pesos.

SYDNEY ended slightly higher after early gains in leading stocks were stripped away by profit-taking.

The All Ordinaries index finished 0.3 up at 2,050.8 after peaking at 2,060.4 in morning trade. Turnover amounted to A$521.1m.

BHP firmed 6 cents to A$20.28 and News Corp 2 cents to A$8.60, while Western Mining was steady at A$8.32. Commonwealth Bank of Australia rose 4 cents to A$7.87.

Gold mines were mostly weaker on the continued decline of the bullion price in the international market. Newcrest Mining retreated 5 cents to A$6.31, Placer Pacific 10 cents to A$3.65 and Poseidon Gold 2 cents to A$3.63.

WELLINGTON was lower after heavy buying of Telecom over recent days dried up. Telecom fell 16 cents to NZ$5.22 on turnover of NZ$14.06m, compared to $43.9m on Wednesday.

The NZSE-40 index relinquished 22.84 at 2,093.20 and turnover was NZ$51.46m, down from NZ$92m.

Carter Holt Harvey slipped 10 cents to NZ$3.80 and Lion Nathan declined 5 cents to NZ$3.18. Fletcher Challenge bucked the trend to finish 4 cents higher at NZ$4.29.

KARACHI rose slightly on short-covering and selective institutional buying of blue chips. The KSE 100-share index gained 4.51 at 2,216.84, with declines outscoring advances by 175 to 127. Pakistan State Oil put on Rp5 at Rp355.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY SEPTEMBER 14 1994								TUESDAY SEPTEMBER 13 1994					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	52 week High	52 week Low	Year ago (approx)
Australia (68)	173.13	-0.1	163.64	108.21	138.38	155.55	0.5	3.53	173.34	164.60	108.52	139.62	164.60	189.15	139.24	139.33
Austria (17)	194.10	0.1	183.45	121.31	155.14	156.49	-0.4	1.03	193.86	184.08	121.37	156.14	158.10	196.88	164.84	175.50
Belgium (37)	171.95	-0.5	162.51	107.47	137.43	134.38	-1.2	4.11	172.85	164.14	108.22	139.22	135.97	177.04	143.82	151.38
Canada (104)	137.07	-0.1	129.55	85.67	109.55	134.13	-0.2	2.50	137.15	130.23	85.86	110.47	134.41	145.31	120.54	123.50
Denmark (33)	254.87	0.9	240.89	159.29	203.71	210.59	0.2	1.41	252.47	239.74	158.06	203.95	210.08	275.79	223.84	230.53
Finland (24)	177.19	-1.1	167.47	110.75	141.63	184.27	-1.9	0.76	179.23	170.20	112.21	144.36	187.58	181.70	104.28	109.24
France (97)	173.25	0.1	163.75	108.28	138.48	142.97	-0.6	3.06	173.02	164.30	108.33	139.56	143.81	185.37	159.34	177.89
Germany (58)	146.74	0.3	138.70	91.72	117.29	117.29	-0.5	1.76	146.32	138.95	91.61	117.86	117.86	150.40	124.39	127.30
Hong Kong (56)	403.90	-1.0	381.75	252.44	322.83	400.89	-1.0	3.08	407.84	387.29	255.34	328.51	404.80	506.58	292.06	296.09
Ireland (14)	212.24	0.1	200.60	132.65	169.64	193.10	-0.6	3.29	211.95	201.27	132.70	170.72	194.18	216.80	161.54	172.12
Italy (59)	80.23	0.9	75.83	50.15	64.13	93.75	0.6	1.65	79.50	75.49	49.77	64.03	93.16	97.78	57.88	78.41
Japan (469)	160.17	-0.4	151.38	100.11	128.02	100.11	-0.5	0.78	160.74	152.64	100.64	129.47	100.64	170.10	124.54	157.83
Malaysia (97)	580.36	0.8	548.53	362.73	463.86	570.64	0.7	1.45	575.95	546.93	360.59	463.92	566.48	621.83	392.03	401.12
Mexico (18)	2250.37	0.1	2126.92	1406.48	1798.66	8396.69	0.1	1.22	2247.98	2134.67	1407.41	1810.86	8389.80	2647.08	1615.11	1721.07
Netherland (27)	215.70	0.2	203.87	134.82	172.41	168.76	-0.6	3.38	215.23	204.38	134.76	173.36	170.78	218.19	180.25	185.54
New Zealand (14)	73.65	1.3	69.64	46.05	58.89	64.98	1.4	3.88	72.72	69.05	45.53	58.57	64.06	77.59	59.22	60.82
Norway (23)	204.08	-0.3	192.88	127.56	163.11	187.12	-1.0	1.77	204.67	194.36	128.14	164.86	188.96	211.74	165.52	177.44
Singapore (44)	365.87	0.1	345.61	228.67	292.44	250.95	0.1	1.70	365.59	347.16	228.89	294.47	250.60	378.82	286.31	287.90
South Africa (59)	309.74	1.0	292.75	193.59	247.57	301.27	0.2	2.12	306.75	291.29	192.05	247.07	300.70	314.24	177.06	177.06
Spain (42)	141.09	0.0	133.35	88.18	112.77	136.58	-0.5	4.22	141.11	134.00	88.35	113.66	137.32	159.79	128.88	140.34
Sweden (36)	227.47	-0.1	214.99	142.17	181.81	252.66	-0.1	1.58	227.60	210.13	142.50	183.33	253.23	231.35	175.83	189.98
Switzerland (47)	168.92	0.8	159.65	105.57	135.01	133.57	-0.7	1.82	167.84	159.38	105.08	135.19	134.44	176.56	166.89	137.98
United Kingdom (204)	197.06	-0.9	186.25	123.17	157.51	186.25	-1.4	4.04	198.83	188.81	124.49	160.15	188.81	214.96	161.11	190.73
USA (517)	191.25	0.3	180.76	119.53	152.86	191.25	0.3	2.83	190.67	181.06	119.37	153.58	190.67	196.04	176.95	187.94
EUROPE (716)	172.64	-0.2	163.36	108.03	138.15	152.68	-0.5	3.03	173.12	164.40	108.39	139.44	153.39	178.58	150.99	159.40
Nordic (116)	220.64	0.0	208.54	137.90	176.35	209.64	-0.4	1.41	220.73	209.60	138.18	177.79	210.47	222.09	173.19	179.96
Pacific Basin (748)	170.38	-0.3	161.04	106.49	136.19	111.38	-0.4	1.08	170.94	162.33	107.02	137.69	111.88	176.86	134.79	161.80
Euro-Pacific (1466)	171.30	-0.3	161.90	107.06	136.91	127.85	-0.6	1.91	171.74	163.08	107.52	138.33	128.61	175.14	143.86	160.59
North America (621)	187.88	0.3	177.57	117.43	150.17	187.30	0.3	2.82	187.34	177.90	117.29	150.90	186.78	192.73	175.67	183.98
Europe Ex. UK (514)	155.88	0.3	147.33	97.42	124.59	132.56	-0.5	2.44	155.46	147.63	97.33	125.22	133.19	158.12	134.97	139.54
Pacific Ex. Japan (279)	268.77	-0.2	254.03	167.99	214.83	239.06	0.0	2.71	269.24	255.67	168.57	216.87	239.10	298.21	200.13	200.94
World Ex. US (1647)	173.09	-0.2	163.59	108.18	138.34	131.72	-0.6	1.92	173.47	164.73	108.61	139.73	132.46	176.65	145.56	160.44
World Ex. UK (1960)	176.23	0.1	166.56	110.14	140.85	146.44	-0.1	2.05	176.13	167.25	110.27	141.87	146.65	178.58	155.96	166.46
World Ex. So. Af. (2105)	177.24	-0.1	167.52	110.77	141.66	149.97	-0.3	2.24	177.33	168.39	111.02	142.83	149.36	180.03	158.54	166.68
World Ex. Japan (1695)	189.59	0.1	179.19	118.50	151.54	179.58	-0.1	2.98	189.41	179.87	118.59	152.57	179.84	195.20	174.04	178.45
The World Index (2164)	178.07	0.0	168.30	111.30	142.33	150.08	-0.3	2.24	178.14	169.18	111.83	143.49	150.47	180.80	156.85	166.60

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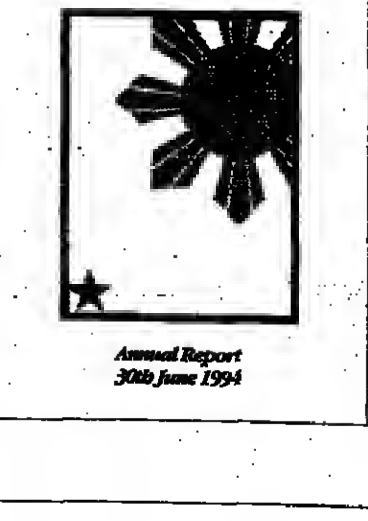


RECRUITMENT

JOBS: Career planning in the changing organisation

Academics get into the act

Changing business structures have led to a surge in interest among companies in career patterns. So much so that some 26 companies and public bodies have subscribed to a UK-based research group called the Careers Research Forum, established to investigate best practice in career development.

The organisations have each paid £6,000 to join the forum, which is funding a two-year research programme by Prof David Guest of Birkbeck College at the University of London. The CRF, structured as a limited company, is run by an advisory council of academics and human resource specialists.

The panel includes Prof Guest with Prof Peter Herriot director of research at Sundridge Park, Andrew Mayo of ICL, Andrew Garner of Boyden International, the executive search firm, Mike Haffenden of OEC, consultants, and Simon Barrow and Andrew Lambert of People in Business, a management consultancy.

The Forum says it was established in response to widespread discussion about changing career patterns. *Delayering*, fewer voluntary departures and changes in the use of consultants and outsourcing have all reduced the likelihood of one-company careers, say CRF.

It adds: "At the same time there is a rapid change of pace in all organisations. With the advent of new markets, technologies and structures, people are expected to do more and do better, yet with the prospect of limited career progression and no guarantee of security."

The Forum is holding a public conference at the Dorchester Hotel, London, on November 16-17. Further details can be obtained from CRF at 071 336 7790.

Without wheels

Why do we persist with the company car as a form of reward? Companies have become increasingly concerned about the cost of the company car yet, according to the latest employee benefits report by the Reward Group, most are afraid to withdraw them in case it hinders the recruitment and retention of staff.

Perhaps the reason has more to do with basic human nature. The managers responsible for company car policies tend to run company cars themselves and few people want to give up something voluntarily.

What many companies have been doing is extending the life of their fleets. Almost a third of those in the Reward survey had lengthened replacement periods, typically by 12 months to four years, or by an additional 20,000 miles.

Other trends highlighted by the survey included harmonisation of benefits for all employees – some 45 per cent of companies surveyed had policies to harmonise benefits such as holiday entitlement, hours of work, overtime rates and sick pay among all staff.

Reward says that a typical benefits package for a director of a large company (those with turnovers between £25m and £200m) would include a company car (provided to 63 per cent of the directors - with free private mileage for 84 per cent), changed every three years or 80,000 miles, free private health insurance (87 per cent) and 25 days a year holiday with a working week of between 46 and 50 hours.

Global earnings

The answer to all those anxious people who regularly call the jobs column looking for international prices and earnings comparisons has been delivered by the Union Bank of Switzerland in its latest edition of Prices and Earnings Around the Globe.

It is three years since UBS produced the last edition, but the latest version has been worth the wait. It not only gives price comparisons on a range of goods and services in 53 cities, but includes data on incomes and earnings across a range of jobs.

Whereas secretaries in Geneva, Zurich, Luxembourg, Dusseldorf, and Tokyo seldom earn less than $35,000 a year, their counterparts in Budapest, Manila, Jakarta, Prague, Bombay, Lagos and Nairobi will earn a tenth of that. The global average salary of a departmental manager is about $43,300 with the biggest salaries in Tokyo and the top Swiss, German and US cities.

The graph (right) shows the average earnings in 53 cities from the weighted hourly net wages of 12 occupations: primary school teachers, bus drivers, car mechanics, building labourers, skilled industrial workers, bank clerks, secretaries, women industrial workers, cooks, saleswomen, department managers, and electrical or mechanical engineers.

Employees in Zurich, Geneva, Tokyo, Luxembourg, Chicago and New York have the most take-home pay and those in Nairobi, Lagos, Bombay and Caracas get the least.

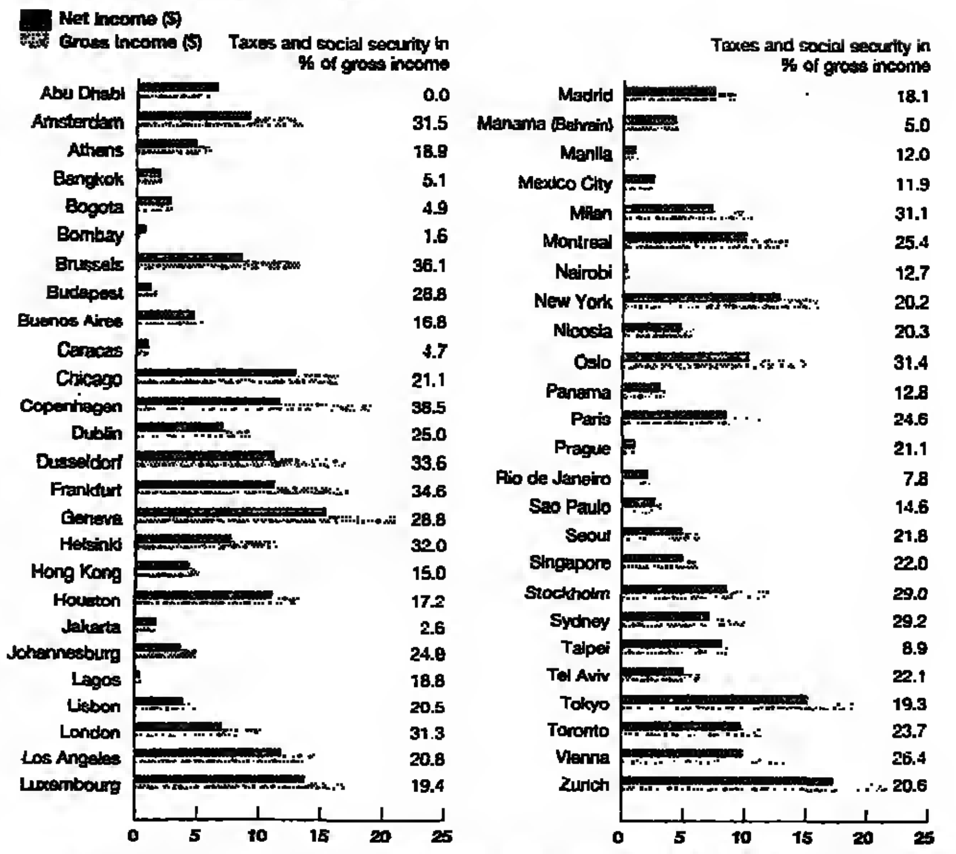
The dark bars show net income, light bars net income and the figures on the right show the taxes and social security deductions as a percentage of gross income. The figures marked from 0-25 on the bottom line are US dollars.

Copies of the report can be ordered free while stocks last from the Union Bank of Switzerland, Economic Information Centre (GEICH), Postbox, 8021 Zurich, Switzerland.

Richard Donkin

Comparison in international earnings

Gross and net hourly wages in US dollars*



Source: UBS

* Actual hourly wages in 12 occupations after taking into account working time, holidays and vacations. Weighted by occupation

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The Corporate Finance Division of Lazard Brothers acts for a large number of significant clients in both the public and the private sector. It also works closely with the Lazard Houses in Paris and New York to form a major force in global investment banking.

The Division is enjoying sustained growth, creating further demand for Corporate Finance Executives. Applications are invited from Corporate Finance Analysts completing a training programme with a major institution and from newly or recently qualified Chartered Accountants and Lawyers with major firms.

These positions are highly sought after and selection criteria will be demanding: candidates must demonstrate impeccable credentials including at least a 2.1 degree, numeracy, excellent interpersonal skills and creativity. It is unlikely that successful candidates will be over 27 years old. In return the Bank offers a competitive package, varied experience and first-rate career prospects.

Those interested are asked to write, enclosing full career details and stating reasons for applying, to The Halsey Consulting Partnership, 34 Brook Street, Mayfair, London W1Y 1YA.
Telephone: 071 495 4446. Please quote reference L/440/8.

TOP OPPORTUNITIES

SENIOR POSITIONS IN GENERAL MANAGEMENT

MANAGING DIRECTOR

FINANCIAL SERVICES

Manchester **Highly Competitive Salary + Benefits**

Our client, one of the longest-established stockbroking and investment management groups in the UK, has recently reviewed its Group activities. As a result of this review, it has identified a need to recruit an ambitious and experienced individual to run its unit trust and PEP operations.

The individual will be a member of, and will report directly to, the Executive Committee, having responsibility for future development and strategy, and for management and marketing on a day-to-day basis. The role will require a creative and independent thinker, with the ability to command the respect of colleagues and clients during a time of change and growth.

Ideally, candidates should be aged between 35 and 55, with a sound knowledge of the unit trust and PEP sectors. Proven business development and strong marketing skills within the field of investment management are essential requisites for this challenging and demanding position. Career prospects within the Group are excellent for the successful individual.

Interested candidates with the relevant experience should send a curriculum vitae, in strictest confidence, to Carol Jardine, Managing Director, Whitney Selection, 17 Buckingham Gate, London SW1E 6LB, quoting reference WS/127/1.

THE WHITNEY GROUP

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SELECTION

The Top Opportunities Section

Advertise your senior management positions to Europe's business readership.

For information please contact:

Philip Wrigley
+44 71 873 3351
Gareth Jones
+44 71 873 3379
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+44 71 873 4054

DEPARTMENT OF ECONOMIC DEVELOPMENT
TRAINING AND EMPLOYMENT AGENCY

DEPUTY CHIEF EXECUTIVE AND CHIEF EXECUTIVE DESIGNATE

Applications are invited for the post of Deputy Chief Executive in the Training and Employment Agency. It is intended that the appointee, subject to satisfactory performence, will become Chief Executive of the Agency, when the present postholder retires in September 1995.

The Agency is part of the Department of Economic Development. It operates with delegated responsibility and authority. The Agency operates a wide range of services including a variety of training services, employment and career services and services to the disabled.

The appointment is offered on the basis of a 3 year contract with the possibility of renewal. The Department would also be prepared to appoint on the basis of an inward secondment on terms agreed with the parent organisation.

On appointment to Deputy Chief Executive the salary will be related to the Northern Ireland Civil Service Grade 4 range which currently is £44,390 to £50,412. The Chief Executive's salary is the Northern Ireland Civil Service Grade 3 range which currently is £52,704 to £62,817.

The successful applicant will be qualified to the third level and have extensive senior management experience in the private or public sectors. A sound knowledge of labour market matters, with particular reference to the operation of employment and training services, is essential.

A job information sheet is available on request from Mr W P Hagan, Department of Economic Development, Massey Avenue, Belfast BT4 2JP, Telephone 0232 529339.

The closing date for applications will be 23 September 1994.

The Northern Ireland Civil Service is committed to equality of opportunity in employment and welcomes applications from all suitably qualified applicants, irrespective of religion, gender or disability. As Roman Catholics and women are currently under-represented amongst the senior general service grades, applications from the Roman Catholic section of the community end from women would be particularly welcome. All applications will be considered strictly on the basis of merit.

BANKING FINANCE & GENERAL APPOINTMENTS

Head of Monitoring Unit
Monitoring Officers

Croydon & Docklands

Starting salaries £21,000 to £32,000 + car + benefits

The Personal Investment Authority (PIA) is the new self regulatory organisation (SRO) established to ensure the delivery of high standards of investor protection across the retail financial services sector. Member firms include product providers such as life assurance companies, as well as Independent Financial Advisors (IFAs). Our new organisation structure will integrate the predecessor SROs and create a range of challenging new opportunities.

Our monitoring units are central to the achievement of PIA's objectives, being responsible for ensuring compliance with our rules. Members' activities and compliance systems are reviewed during planned visits and ad hoc special investigations by the monitoring units. Each unit comprises 3 Monitoring Officers led by the Head of Unit with responsibility for the planning and organisation of the visits. Each team member is accountable for specific aspects of the compliance assessment, which are then consolidated by the Head of Unit into a final report. During visits the Monitoring Officers, as well as the Head of Unit, liaise closely with staff in the member firm, ensuring that appropriate relationships are maintained. Monitoring teams can expect to travel widely and spend periods of time away from home.

We seek good team players with strong interpersonal skills and a high degree of Integrity. Candidates should be of graduate calibre and possess relevant financial services experience from within compliance, marketing or technical departments. Candidates from outside the industry must have proven expertise in an investigative or regulatory role such as audit, legal or compliance within another industry or profession. Evidence of leadership and man-management experience is required for the Head of Unit.

Opportunities also exist at the Head of Unit level for a specialist in Training and Competence and for additional Monitoring Coordinators who will be office-based.

Please send full personal and career details, including current remuneration and daytime telephone number, in confidence to Ann Shepherd, Coopers & Lybrand Executive Resourcing Ltd, 1 Embankment Place, London WC2N 6NN, quoting reference AS1050/F on both envelope and letter.

PIA
Personal • Investment • Authority

Lloyds PRIVATE BANKING

LLOYDS PRIVATE BANKING LTD
HAYWARDS HEATH

HAVE A VACANCY FOR AN ANALYST, UK EQUITIES

Salary Circa £20,000 plus Benefits

Lloyds Private Banking Ltd is a leading provider of private client asset management services. Funds under management, including holdings of over £3 billion in UK equities, have increased rapidly in recent years.

We now require an additional Equity Analyst to join the Research Department in Haywards Heath. Reporting to the Chief Manager (Investment Services) the successful candidate will be responsible for coverage of a segment of the UK Equity Market and will be expected to make a contribution to the determination of overall policy.

The position is a demanding one and we are looking for the following characteristics:

- ◆ A minimum of 3 years experience in an equity research background together with an appropriate professional qualification.
- ◆ Capable of working as part of a tightly focused team.
- ◆ An effective and persuasive communicator with well developed writing skills.
- ◆ Computer literacy would be an advantage.

Candidates with relevant experience are invited to apply by **3rd October 1994** to:

Mrs Sharon Ault, Personnel Manager,
Private Banking & Financial Services,
Capital House, 1/5 Perrymount Road,
Haywards Heath, West Sussex RH16 3SP.

POSITIVE ABOUT DISABLED PEOPLE

CA 071-377 6488

Far East Economists £Neg

Several Major Banks seek established and experienced Economists for positions in Tokyo and London. Please call Stephen Donnellan.

European Equity Analysts £Neg

Various Leading Houses are seeking experienced Equity Analysts with European language skills. Ideal candidates will have 3-5 years' experience, computer literate and excellent presentation skills. Please call Stephen Donnellan.

Fixed Income Sales £Neg

Major UK Investment Bank requires bilingual Japanese/English to cover Japanese investors in Europe. The candidate should have worked in the Tokyo market and be fully conversant with financial practices in Europe. Also knowledge of private placements would be an advantage. Please call Richard Ward.

Fixed Income Sales £Neg

Top Quality Houses are seeking experienced salesmen to cover Northern Europe emphasis on Scandinavia and Germany. In some cases Yen Specialists are required. Please Call Richard Ward.

Fixed Income Sales £Neg

Several top quality Houses are seeking experienced multi-product Fixed Income Salesmen to cover UK IMG's and other institutional accounts within the UK and Channel Isles. Please call Richard Ward.

Swaps Derivatives Marketing £Neg

We presently have several opportunities within this area with top City based Houses. Applicants must have a minimum of 18 months' experience and a foreign language (German, French, Spanish) ability can be advantageous. Please call Andrew Stone.

Eurobond Trading To £80K + Bens

Varied opportunities with top names for experienced individuals, particularly for Can$, DEM, US$, non-$. Please call Andrew Stone.

Swaps Trading To £75K + Bens

Several Top Houses in the City require applicants with a minimum of two years' experience in the above. Emphasis on the Scandinavian currencies in some cases. Please call Andrew Stone.

Repo Trading Sales £Neg

On-going interest for candidates with either Repo sales or trading experience. Top City names – junior to senior level candidates required. Please call Mark O'Connor.

ECP Money Market Sales £Neg

Well known City based Banks require applicants with a minimum of 18 months' experience in the above. In some cases a European language ability is a plus. Please call Mark O'Connor.

Equity Sales £Neg

Numerous opportunities exist within this area for experienced individuals to sell non-UK equities and/or derivatives to client bases in UK/Europe. An active client base as well as a European language is essential in most cases. Please call Mark O'Connor or Andrew Stone.

Others

FIXED INCOME SALES TO ANYWHERE; ECU TRADING; EUROPEAN GVT TRADING; DERIVATIVES SALES; CORPORATE FINANCE; M&A; FUTURES SALES; EQUITY SALES TO SPAIN; ECP TRADER; ORIGINATIONS/NEW ISSUES MARKETING; STRUCTURED SALES; MTN'S.

For further details please call on 071-377 6488 or send/fax your CV to us.
All applications are treated in the strictest confidence.
For enquiries outside business hours call 081-364 1833.

CAMBRIDGE APPOINTMENTS

232 Shoreditch High Street, London E1 6PJ. Fax no. 071-377 0887

ASSISTANT TO M.D.

Roulston Research (U.K.) LTD., Inc., a regional U.S. broker dealing with institutional investors in the U.K. and continental Europe, seeks a self-starting professional to assist the Managing Director in its London office. The ideal candidate will possess strong planning and organizational skills, excellent selling and advising skills, as well as the ability to examine new investment ideas, and be able to work with a large degree of independence. Initial responsibilities will include some administrative duties, moving to become a broker as soon as possible with the potential for management responsibility within five years.

Salary and strong opportunity to be compensated on a commission plus bonus in the six digit area will come as rapidly as the individual can progress.

Please reply in writing to:

Mr. G. C. Aberle, Roulston Research (U.K.) Ltd. Inc.
9 Coldbath Sq., Rosebery Ave, London EC1R 5HL

CREDIT ANALYST GRADUATE TRAINEE

A leading Japanese Bank is seeking to recruit a recent graduate into its Corporate Finance Department.

The corporate finance team concentrates predominantly on lending in the syndicated and bilateral loan markets and an important part of its work includes marketing of the Bank to both new and existing clients.

Areas of responsibility will include:

- Analysing the credit of corporate borrowers
- Marketing the Bank to prospective clients
- Monitoring loans within the existing portfolio.

The successful candidate will be an outgoing and confident graduate, with a good degree in a business related discipline and a basic understanding of accountancy. Candidates possessing an MBA qualification need not apply.

Please send full CV to:

Kathryn Williams
The Mitsui Trust & Banking Co., Ltd
Fifth Floor, 6 Broadgate
London EC2M 2TB

Closing date for applications: Friday 30 September 1994

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Bloomberg is a highly successful supplier of sophisticated screen based news, information and decision support systems within the international financial marketplace.

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Product Specialists

This is a high profile role which has responsibility for communicating the complexity of the Bloomberg and it's capabilities to existing and potential users in the UK and Europe. You will also play an active role in advising on enhancements and development often in liaison with our New York office. Candidates must have at least 5 years experience in the markets and in-depth understanding of financial instruments such as EQUITIES or FIXED INCOME. Communication is a key element of the role and you must be comfortable in presentation situations. Candidates should be willing to travel and fluency in European languages would be of interest.

Account Managers

You will provide quality service, support and relationship management to Bloomberg users in London and Europe.

With 2-5 years experience in a related area you must have a good understanding of instruments such as fixed income, equities or futures and options. Ideally experience will have been gained in a sales, investment management or support role. Applicants who can also demonstrate fluency in a second EUROPEAN LANGUAGE or JAPANESE will be of interest. Candidates must be willing to travel.

For all positions salary is negotiable according to experience.

Apply to The Freshman Consultancy during office hours on 071-721 7361 or send your CV by post or fax quoting reference FT/7/94.

FRESHMAN

The Freshman Consultancy, Coppergate House, 16 Brune Street, London E1 7NJ
Telephone: 071-721 7361 Facsimile: 071-721 7362

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The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone:

Philip Wrigley on +44 71 873 3351

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Excellent salary + bonus + benefits

Head of Strategy

Head of Business Development

These new positions are at the heart of a major initiative to develop Lloyd's centre of excellence providing strategic and operational advice for the Society and its constituents. Lloyd's is now at a pivotal position in its history, with a business plan to attract new forms of capital and to extend its distribution further into world markets. Pre-eminent in the London insurance market and a major player in the industry worldwide, Lloyd's commands some £11bn of underwriting capacity – but with substantial undeveloped potential.

These are highly influential posts which will deal at the top level with issues of critical importance to the development of Lloyd's sustainable competitive advantage.

Head of Strategy

THE ROLE

- Working closely with the Lloyd's top management team to develop the fundamental strategies to position Lloyd's in future decades.
- Analysing the complex issues at the heart of Lloyd's business – capacity, capital structure, value, NewCo and market profitability. Rolling forward the business plan.
- Drawing on the resources of key players in the Lloyd's market and developing the central planning function. Radically improving the collection and use of business information.

THE QUALIFICATIONS

- Graduate or MBA with superior intellect and a distinguished record of developing innovative but practical strategic solutions. Probably now in a top-flight strategic consultancy or major international financial services group.
- Disciplined analyst and planner with commercial instincts and first class communication and influencing skills. Able to establish and manage effective relationships at the top level.
- Natural leader and team manager who is tough-minded and resilient. Must show stature, maturity, confidence, creativity and commitment to spearhead this major programme.

Please quote reference F3188094L

Head of Business Development

THE ROLE

- Responsible for identifying ways of increasing Lloyd's global capability, business opportunities and brand strength in existing and new areas.
- Analysing and segmenting client needs and identifying innovative product mixes and distribution developments to optimise the differentiation and positioning of brokers and underwriters in a highly competitive marketplace.
- Recruiting, developing and leading a small, high-performing team. Establishing relationships with and working alongside senior management in brokers and underwriters.

THE QUALIFICATIONS

- Professionally qualified graduate on a fast-track career with a leading international insurance entity. Accomplished business developer and planner.
- Ambitious, insightful and productive professional with mature interpersonal skills. Participative team leader with strong relationship building skills.
- Well-developed understanding of international markets with analytical skills of the highest order. May have geographic specialisations and language abilities. Will demonstrate a practical approach to both planning and implementation.

Please quote reference F3177094L

Leeds 0532 307774
London 071 493 1238
Manchester 061 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to:
Selector Europe,
16 Connaught Place,
London W2 2ED

Substantial Package

HILL SAMUEL
BANK

Manchester

Regional Director

Hill Samuel, one of the country's best known merchant banks, is committed to re-establishing its leading presence in the North. An experienced banking professional with real expertise in corporate banking, structured finance and corporate finance is now sought to lead and develop business in the North.

THE ROLE

- Responsible for the Bank's corporate banking and expansion of its corporate finance activity in the region.
- Take the lead in establishing close and effective relationships with a broad range of corporate clients.
- As part of a young team committed to rebuilding the Bank's business and reputation nationally. Expected to be at Assistant Director level but the successful candidate could progress quickly to the main board.

THE QUALIFICATIONS

- Likely to be in their 30s with a successful career in corporate banking leading to familiarity and involvement with corporate finance including restructurings and M&A.
- *Proven ability to represent* the Bank successfully at Board level including particularly Finance Director, Chief Executive and Chairman.
- Confident and self-disciplined with strong communication and negotiating skills to work independently in the region and also as an integral part of the UK team.

Leeds 0532 307774
London 071 493 1238
Manchester 061 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to:
Selector Europe, Ref. XJ5197094M,
Adlington Court, Greencourts Business Park,
Styal Road, Manchester M22 5LG

Generous Package

Premier Global Custodian

City

Operations Risk Controller

This is an influential and important role at the heart of one of the most respected custodians. The business is part of a major blue-chip global firm with strategic plans for expansion. Key tasks are to improve the delivery of the risk control function and to raise the profile of the operation throughout the organisation.

THE ROLE

- Managing a team of 40 responsible for controlling the risks associated with the custody operations, encompassing stock and cash reconciliations and broker confirmations.
- Developing productive relationships with senior line management, finance and operations; identifying potential problems and taking pre-emptive action.
- Creating a centre of technical excellence, motivating and developing a diverse team with a strong sense of cohesion and team identity.

THE QUALIFICATIONS

- Mature qualified accountant with custodial managerial or securities industry experience. Sound grasp of technology and experience in high volume operations environment.
- Strong leader with the stature and credibility to influence senior line managers and experience in refocusing and motivating an infrastructure support team.
- Perceptive problem solver with an eye for detail with project skills capable of prioritising tasks and working to deadlines.

Leeds 0532 307774
London 071 493 1238
Manchester 061 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to:
Selector Europe, Ref. F6191094L,
16 Connaught Place,
London W2 2ED

TD THE TORONTO-DOMINION BANK

Corporate Banking

The Toronto-Dominion Bank is a highly-rated Canadian Bank with a well established presence in London and other major financial centres. *As a result of expanding* Corporate *Banking activities in the* London *Office, the Bank is actively recruiting for the following* challenging opportunities:–

Utilities/Project Finance – Senior Relationship Manager

To significantly enhance the Bank's position in the Project Finance/Utilities sector, the Bank seeks a senior relationship manager to *assist in the development* of its business. The incumbent will be responsible for originating project financing opportunities with major U.K. and European clients, primarily in the electricity and forestry industries and managing such client relationships.

The successful candidate will be a graduate and have already enjoyed success in marketing, originating and structuring deals with a progressive financial institution. The Bank requires a well educated, credit trained, highly numerate individual with strong marketing and relationship skills, to *join a dynamic, team-orientated environment.*

Media/Communications – Associate

The Bank has established a reputation as a market leader in arranging, structuring and providing finance for the media and communications industries. To build on this success, the Bank seeks an articulate, numerate individual with a finance background to join its Communications Finance Group as an associate.

The successful candidate should ideally be a newly qualified accountant or a graduate with at least two years corporate credit experience with a bank or financial institution. PC literacy would be considered a distinct advantage. Experience within the media/communications industry whilst beneficial would not constitute a *pre-requisite.*

Both these positions represent significant career opportunities for the right candidates. Salaries will be dependent upon qualifications and experience and the total remuneration packages will be highly competitive.

Interested candidates should contact Niall Macnaughton at BBM Selection on 071-248 3653 or write, sending a detailed Curriculum Vitae to the address below. All applications will be treated in the strictest confidence.

76, Watling Street, *London* EC4M 9BJ

BBM
SELECTION

Tel: 071-248 3653 Fax: 071-248 2814

Property Finance

Barclays de Zoete Wedd (BZW) is a leading European based investment bank which operates internationally. The London based Property Advisory Group, a joint venture between BZW Corporate Finance and Property Investment Management, is seeking a senior-level addition to its team.

The Property Advisory Group was established 18 months ago and is now a leading adviser on debt and equity capital financings and other property-based advisory transactions to property companies, property-owning companies and UK and overseas investors.

The role envisaged will suit high calibre candidates who can demonstrate strong business development skills and knowledge of the property investment and financing sector. Applicants must have proven transactional experience and are likely to be in their 30s with a property investment banking or legal background. Since the Property Advisory Group's business extends to other major European markets, language skills would be an advantage.

The remuneration package will be commensurate with the seniority of the position and will include banking benefits and a discretionary bonus related to performance.

To apply, please write *with full career details to:*
Ann Molteni, Director, Human Resources,
Barclays de Zoete Wedd Asset Management,
Seal House, 1 Swan Lane, London EC4R 3UD.

BZW

FIXED INCOME SALES

City

£Highly Competitive Package

Harrison Willis City has been retained to work on behalf of the securities arm of a major international bank to recruit experienced fixed income salespeople. This is part of a continuing expansion plan.

The successful candidate will be responsible for the distribution of a range of fixed income products, mainly government and eurobonds, to retail and institutional investors in the UK and Europe. Ideally the candidate will be able to demonstrate a successful track record of developing profitable client relationships, probably gained with a leading investment bank/securities house.

The ability to fully understand client requirements is vital, as well as the ability to communicate effectively within a small but highly motivated team. There is the opportunity to make a significant impact on a key area of our client's business, the importance of which will be fully reflected in the very competitive remuneration package available.

*Candidates who feel they have the right background and who would like to find out more should contact, in complete confidence, **David Page** or **Jonathan Cohen** on **071-629 4463**, or write, enclosing a detailed CV, to Cardinal House, 39-40 Albemarle Street, London W1X 3FD. (Fax: 071-491 4705.)*

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CITY

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UNIT TRUST FUND MANAGER
Director Designate

Northern England **c £50,000 + bonuses**

Our client, a nationally based firm of stockbrokers has recently launched two UK unit trusts. This opens up the opportunity to recruit an experienced fund manager with a track record and proven marketing ability. The bias is towards UK equities.

Candidates must have experience of UK equities including the smaller companies market, quantitive analysis techniques, investment product development, and, of selling concepts and research to colleagues. Computer literacy is important. Age range is 30 to 40.

The position carries good career prospects. The Fund Manager will be expected to take over the direction of the Unit Trust Company within a year of appointment including its commercial development. Salary is negotiable with a profits related bonus and an opportunity for equity participation in due course. Relocation assistance may be available.

Kidsons Impey
Search & Selection Limited
29 Pall Mall, London SW1Y 5LP
Telephone: 071-321 0336
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KIDSONS IMPEY

Please telephone or write (quoting reference no. 836) to Terry Fuller, Director.

London STOCK EXCHANGE

International Market Development

Excellent Package **City**

Exciting opportunity for talented executive to join a high calibre specialist team leading research and product development for the London Stock Exchange.

THE COMPANY

- ◆ The leading international stock exchange. Rapidly changing under new leadership to maintain dominant role.
- ◆ Expanding development division needs to add additional strength to international team.
- ◆ Continuous contact with leading players and regulators in securities markets in UK and overseas.

THE POSITION

- ◆ Research and recommend new ideas on issues relating especially to new international business.
- ◆ Take responsibility for specific projects from origination to delivery. Work independently in small, flexible team.
- ◆ Influence change in markets' structure, products and practices through wide range of industry contacts.

QUALIFICATIONS

- ◆ Between 2 and 7 years experience. Securities industry/consulting background preferred.
- ◆ Highly developed strategic, analytical and communications skills. Fascination with changing markets. Team player. International outlook.
- ◆ Work to highest presentation standards. Creative, rigorous, persuasive, consultative.

Please send full cv, stating salary, ref IBM3985, to NBS, 10 Arthur Street, London EC4R 9AY

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ESN
ESN PENSION
MANAGEMENT
GROUP LTD

INVESTMENT MANAGEMENT

ESN Pension Management Group Ltd is a major investment management house responsible for managing pension fund assets in excess of £13 billion. This is principally on behalf of the Electricity Supply Pension Scheme, which is an umbrella organisation covering 21 pension plans arising out of the formerly nationalised electricity supply industry.

FUND MANAGER – UK EQUITIES

You will be responsible for a range of market sectors and will be expected to make and implement well-considered investment recommendations.

A graduate, preferably with an appropriate professional qualification and ideally with some interest in quantitative techniques, you will possess several years relevant fund management and analytical experience gained within the investment industry.

FUND MANAGER – PACIFIC BASIN

Your primary responsibility will be to assist the Senior Fund Manger in the management of the Japanese portfolio, although knowledge of other Asian markets would be an advantage. The role will involve maintaining contact with brokers and analysts, making investment recommendations and implementing agreed policy. A graduate, preferably with a professional qualification you are likely to have at least two years relevant experience in fund management.

A competitive remuneration package together with an incentivisation plan will apply to both positions.

If you have proven competence in the appropriate markets, strong communication and interpersonal skills, and are interested in joining a progressive and an aggressively ambitious team please write, enclosing a comprehensive CV and details of present salary to, Alan MacLeod, Personnel Manager, ESN Pension Management Group Ltd, 110 Buckingham Palace Road, London SW1W 9SL.

A creative application for . . .

Credit Analysis

. . . in the fixed income market

Our client, a leading merchant banking group, has a strong presence in the fixed income markets. To complement the existing Sterling Bond Team the Bank seeks an experienced credit analyst.

The successful candidate will be required to provide credit-driven analysis to support the sales and trading teams. The work will also involve direct contact with clients and the production of written research.

The ideal candidate will have received formal credit training and exposure to the bond markets. A professional accountancy qualification would be advantageous but is not a prerequisite. More important will be the ability to provide creative input to the assessment of factors affecting the credit strengths or weakness of specific bond issues.

This will require strong communication skills, an analytical mind and the confidence to deal effectively with both colleagues on the trading floor and major institutional investors. The successful candidate will be a key member of the fixed income group and career development opportunities either in the Sterling Team, or elsewhere in the group, will therefore be outstanding.

The package for this post includes a very competitive basic salary, the full range of banking benefits and a performance related bonus.

If you are looking for a move away from a traditional credit function to a more energetic environment, then write, including a full Curriculum Vitae, to Niall Macnaughton at BBM Selection, 76 Watling Street, London EC4M 9BJ. Alternatively use our confidential fax line.

76, Watling Street,
London EC4M 9BJ

BBM
SELECTION

Tel: 071-248 3653
Fax: 071-248 2814

INSTITUTIONAL FUND MANAGEMENT

Singer & Friedlander Investment Management Limited is looking to expand its overseas institutional investment capabilities.

As a result a new opportunity now exists in the Far Eastern team to concentrate primarily upon the analysis of Japanese equities.

Interested Candidates should be educated to degree standard and preferably possess an accounting qualification.

Remuneration is negotiable.
Interested candidates should apply in the first instance, in writing to:

The Personnel Director,
Singer & Friedlander Investment
Management Limited,
21 New Street,
Bishopsgate,
London EC2M 4HR

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MORGAN GRENFELL
ASSET MANAGEMENT

Fund Manager

US Equities

Attractive Salary + Bonus + Benefits **City**

Exceptional opportunity for a talented young professional to join a successful US investment team within a fast growing international investment management house.

THE ROLE

- ◆ Member of a team of six, managing portfolios of Fortune 500 stocks.
- ◆ Work closely with senior Investment Manager. Research and select stocks with significant growth potential.
- ◆ Lead and/or participate in company meetings. Develop relationships at highest level with US corporates.

QUALIFICATIONS

- ◆ Graduate with at least three years investment experience. Must have spent minimum 1 year focusing on US market.
- ◆ Outstanding analytical skills, rigorous and highly numerate. Excellent communicator.
- ◆ Self-motivated, mature, ambitious, incisive, confident team player.

Please send full cv, stating salary, ref CN3677, to NBS, 10 Arthur Street, London, EC4R 9AY

N B SELECTION LTD
a BNB Resources plc company

NBS

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Bristol 0272 291142 • Edinburgh 031 220 2400
Glasgow 041 204 4334 • Leeds 0532 453830
Manchester 0625 539953 • Slough 0753 819227

ASSOCIATES IN

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ACCOUNTANCY COLUMN

First, last and the more things change

Andrew Jack reflects on worrying trends in the profession in the 1990s

The contents of the first article and the first column I wrote on becoming accountancy correspondent could hardly have been more appropriate. They have set the tone well for the period up to my departure nearly three years later.

The article concerned a change to professional ethical rules dictating who could call themselves "chartered accountants". Firms would be able to retain the title even if only three-quarters of their partners were in fact members of one of the chartered institutes.

The column dealt with Chancery Bank, one of the more ambitious attempts to effect a corporate rescue using administration, the procedure created by the 1986 insolvency act.

These two broad themes – the commercialisation of the profession and the varied and painful effects of the prolonged recession – came to dominate accountancy in the early 1990s.

Within the next few days, Price Waterhouse laid off 150 staff in its management consultancy division, financial salaries dipped to their lowest levels in eight years, and one of the leading professional indemnity insurance underwriters warned of a sharp growth in litigation against accountants. The firms continued to create new and ever more bizarre specialist units offering services with barely a passing resemblance to accountancy. Other ethical rule changes (often meekly following in the wake of practices already under way) permitted practices such as cold-calling and contingency fees.

Changes to the law requiring disclosure of the non-audit income generated from audit clients to any company revealed the enormous extent of consulting work carried out. On other issues, the accountancy firms have steadfastly refused to provide meaningful financial information about themselves.

Nowhere was the intersection of insolvency and commercialism more powerfully illustrated than with the emergence of "low-balling", with firms eagerly slashing their fees to retain clients or win them from competitors. It helped delay redundancies, but at what cost to the longer-term quality of the audit or the reputation of the firms?

In short, nothing changes in the trends. Or where it does, it has generally been for the worse: whether for the profession, the accountancy firms, or for the preparers and the users of companies' accounts.

While insolvency may have caused more obvious and immediate pain, growing commercialism arguably threatens to inflict greater long-term damage to any attempt by accountants to continue to call themselves members of a profession rather than simply another business.

Yet, as an analyst listening to the tales of the disturbed accountant sitting on the consulting couch might put it, the profession went into heavy denial. Expectation gaps, calls for proof to justify the slightest criticism (when the firms refuse to reveal the data on which any analysis could be based), and the introduction of some tokenistic new rules all seemed easier ripostes than facing up to the real problems.

It is easy for auditors to cry foul: to say that they are only sued because they have "deep pockets", that the public is ignorant of their role and limitations, that company directors are the ones responsible for preparing accounts.

Yet by law shareholders appoint the auditors with the single purpose of providing a reasonable assurance that the accounts show a true and fair view. The firms' staple product of the audit report has been understandably discredited by the experience of the last few years.

Commercialism and the painful effects of the recession have come to dominate accountancy.

A quick glance around the morgue of corporate carcasses shows that many companies collapsed with no warning signs from auditors examining their health just a few months before. An examination of the working papers after the event shows that the auditor was very often aware of many of the signs of impending doom – but said nothing publicly.

By treating the symptoms, accountants have been able to demonstrate some apparent progress of late. The Accounting Standards Board has got off to a good start by introducing tough new rules which appear to close many of the more malleable ones of old.

The Financial Reporting Review Panel has begun flexing its muscles, generating a climate of reform – through fear among finance directors, and probably at least as importantly among auditors, a number of whom have soon after ceased acting for reprimanded clients.

But all this activity does nothing to affect the underlying cause of the financial reporting malaise. The climate may have temporarily swung against the mood of the late 1980s, and the absence of economic growth may have militated until now against aggressive financial transactions.

However, the relationship between auditors and their clients remains unchanged. If the mood changes again, there is little that either the review panel or the accounting standards board can do to influence the private discussions that are only partially reflected in published accounts.

The fundamental tension is how can an auditor, effectively hired, fired, paid by and reporting to executive management, act objectively and sometimes against its interests? As one senior accountant put it recently: "It's like leaving the rabbits in charge of the lettuce".

This argument does not simply apply to audit fees. Accountants know few bounds when it comes to the range of work they are willing to undertake for companies. Conflicts of interest seem rarely to feature. Show a conflict to lawyers and they normally quickly withdraw.

Accountants, by contrast, sweep aside objections by blithely claiming in the same breath both the importance of "synergy" from existing experience, and yet simultaneously an easy ability to "manage" any such tensions and prevent conflicts arising.

These tensions are rarely acknowledged within the profession. When I suggested over a lunch a few months ago to a senior partner of a "Big Six" firm that they might present problems, he gave a single-word reply – unprintable but unmistakeably negative.

There has at least now been some progress, with the recognition of the issue in both the discussions of the Auditing Practices Board and a document from the Institute of Chartered Accountants of Scotland within the last two years. Yet there has been little sign of any recommendations to develop the points.

If the accountancy profession has generally been complacent, it has been aided in its apathy by a lack of interest by others who should be paying it greater attention: not least government and users of accounts. Yet they have remained conspicuously silent on most issues, content to let accountants get on with their lives without much interference.

I can point to some stimulating debates and some delightful friendships developed with accountants over the last three years. On the future of their profession and the degree to which it has recognised its problems and attempted improvements, I am rather less able to be positive.

Andrew Jack is moving to France as one of the FT's Paris correspondents.

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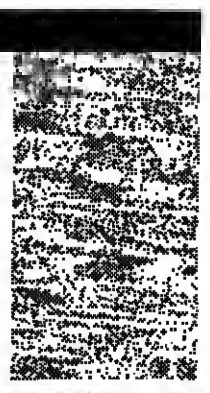
Newly-Qualified Accountants



Are you ...
- *Intelligent, analytical and a good communicator?*
- *Energetic, ambitious and hungry to succeed?*
- *A team player who thrives on challenge?*
- *About to qualify and ready to join us?*

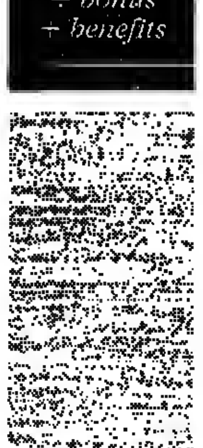
Salomon Brothers is one of the world's most powerful and prestigious financial institutions and a pre-eminent force in global securities markets. We have a number of opportunities for talented, newly-qualified accountants who wish to develop their careers in financial management within a leading international securities house.

Previous financial institutions experience is not necessary; strong quantitative abilities, along with well-developed interpersonal skills, are essential. You will demonstrate high levels of academic and professional achievement, the willingness to work hard and the determination to succeed. You will be fully challenged by an exciting, fast moving environment and will enjoy excellent prospects for career progression. For individuals needing to move to London, relocation assistance can be made available.

If you want to progress, as far and as fast as your talents allow, seize the initiative by writing to our advising consultant Janet Bullock quoting Ref: 315 at BBM Selection, 76 Watling Street, London EC4M 9BJ, enclosing a full cv which should include contact telephone numbers. Janet may be contacted by telephone on 071-248 3653. All applications will be handled in the strictest confidence.

Based London

£excellent + bonus + benefits



Salomon Brothers

FINANCIAL CONTROLLERS
to c£40,000 + Car

Eager to take on commercial responsibility and progress rapidly to director level. Located London and S. Home Counties. One small, one plc - each company growing profitably and looking for 28-36 year old graduate ACAs who have gained genuine sharp and commercial/industrial experience.

Please send CV's in confidence to Barnett Consulting Services, Providence House, River Street, Windsor, Berks SL4 1QT.
Tel. 0753 858868. Fax: 0753 866297.

FT/LES ECHOS

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone:
Philip Wrigley on +44 71 873 3351

CAREERS IN THE CZECH REPUBLIC

FSS Europe is a leading search and selection consultancy in Central Europe. We are currently managing several assignments in the Czech Republic for Prestigious fortune 500 corporations. Opportunities exist for high calibre finance professionals in Controlling, Financial Analysis, Business Planning and Investment Banking. Either a Czech National or fluent in Czech, candidates will be seeking a demanding and rewarding career track in the most dynamic business market in Central Europe. To develop your career in this rapidly expanding market, or to seek advice, contact Jacqueline Long at FSS Europe, Charlotte House, 14 Windmill Street, London W1P 2DY or telephone her on (44) 71 209 1000 (daytime) or 44) 81 876 5000 (evenings/weekends).

HEAD OF CORPORATE FINANCE

Large International Shipping Group is looking for an experienced person able to help manage the finance and corporate planning functions reporting to the Managing Director. Background in investment banking, equivalent activity in other commercial sectors, combined with accounting knowledge would provide an excellent base. Candidates should have university or professional degree and experience in negotiating credit facilities. Good career prospects.

Preferred age bracket: 28-38. Service locations: Southeast Asia. Working language English.

Attractive remuneration and fringe benefits negotiable to suit qualifications. Accommodation provided. Applicants with full career details and references in strict confidence, in first instance to:-

DWJ Advertising Limited (Ref: M.285)
104/110 Goswell Road, London EC1V 7DH

The reference should be clearly marked on the outside of the envelope. Applicants from outside of the U.K. may fax their application to +44 (0) 171 250 1595.

The Millennium Commission

Director of Finance

London

An independent Commission, created by Parliament, to support a major programme of projects to mark the year 2000 and the beginning of the next millennium. Responsible for allocating to suitable projects its significant annual income, amounting to 20% of the net proceeds of the National Lottery.

THE POSITION

◆ Manage the Commission's finances and prepare budgets. Monitor and forecast income against spending commitments.

◆ Responsible for financial reporting and internal audit and also for personnel, administration and IT systems.

◆ Recruit, control and motivate a supporting team of four staff. Report to Chief Executive.

QUALIFICATIONS

◆ Qualified accountant, probably Chartered, with experience of operating at Board level and an understanding of the requirements of public finance.

◆ Strategic approach, able to contribute to corporate objectives and control significant funds in excess of £75m per annum.

◆ Skilled manager with authority and flair. Knowledge of personnel and IT procedures and systems.

Please send full cv, stating current salary, ref PN3666, to NBS, 54 Jermyn Street, London SW1Y 6LX

N B SELECTION LTD
a BNB Resources plc company

NBS

LONDON 071 493 6392
Aberdeen 0224 638080 • Birmingham 021 233 4656
Bristol 0272 291142 • Edinburgh 031 220 2400
Glasgow 041 204 4334 • Leeds 0532 453830
Manchester 0625 539953 • Slough 0753 819227

Bell *Cablemedia plc*

Director of Treasury

c.£80,000 + Benefits **Home Counties**

Real opportunity to have immediate impact as first Treasury Director of new communications business with enormous potential.

THE COMPANY

◆ Recently formed quoted plc. Joint venture between Bell Canada, Cable & Wireless and Jones Intercable.

◆ Leading combined cable television and telephone operator. Growing to $billion corporation by year 2000.

◆ High profile treasury operations. Massive bank, project and capital markets funding.

THE POSITION

◆ Build team with full responsibility for central treasury matters and management of investor relations.

◆ Develop funding strategy, negotiate and administer banking arrangements. Oversee cash management and investments.

◆ Add value during business growth. Crucial role with exceptional career prospects.

QUALIFICATIONS

◆ Outstanding academic background, preferably graduate accountant, MBA or ACT.

◆ Comprehensive funding experience from substantial, sophisticated treasury environment.

◆ Commercially aware, strategic thinker. Innovative and self sufficient. Expert negotiator with first class managerial and interpersonal skills.

Please send full cv, stating salary, ref HN3676, to NBS, 54 Jermyn Street, London SW1Y 6LX

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MEPC

IT Audit Manager

Highly Attractive Salary and Benefits Package **London**

MEPC plc, a leading Property company, enjoys a first class reputation for the development and subsequent management of prestigious property schemes. With a £2bn portfolio in the UK, MEPC realises the importance of systems and controls to maximise operational efficiency. This challenging role is to ensure effectiveness of these controls and contribute to corporate IT development.

THE POSITION

◆ Establish strong IT control environment through evaluation, development and implementation of effective internal controls.

◆ Communications role, providing information flow between Finance and IT functions.

◆ Assist management on ad hoc IT projects. Liaise with external auditors.

◆ Report to Group Audit Committee of the Board.

QUALIFICATIONS

◆ Aged 27-35. Accountant, qualified or by experience. Good knowledge of computer audit techniques, preferably from Big Six firms.

◆ Sharp, enquiring mind. Strong analytical skills.

◆ Clear and effective communicator. Able to relate and gain credibility with all levels.

◆ Enthusiastic self-starter. Set and achieve own objectives.

Please send full cv, stating salary, ref N3661, to NBS, 54 Jermyn Street, London SW1Y 6LX

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Aberdeen 0224 638080 • Birmingham 021 233 4656
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Manchester 0625 539953 • Slough 0753 819227

Head of Internal Audit

To £70,000 + Benefits **London**

A very attractive opportunity in a key central role in a major plc with excellent long term prospects.

THE COMPANY

◆ Information technology company specialising in systems integration in selected markets.

◆ Strong international coverage operating in over 60 countries worldwide.

◆ Turnover exceeds £2 billion with increased market share.

THE POSITION

◆ Accountable to the Audit Committee.

◆ Promote effective operational and financial control throughout the group.

◆ Establish a new internal audit team.

◆ Build effective internal and external working relationships.

QUALIFICATIONS

◆ Graduate ACA with substantial internal audit experience in a large international organisation.

◆ Demonstrable business knowledge and background.

◆ Excellent communication skills, energy and commitment.

Please send full cv, stating salary, ref LN3679, to NBS, 54 Jermyn Street, London SW1Y 6LX

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a BNB Resources plc company

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FINANCIAL AND STRATEGIC PLANNING

London **to £40,000 + car**

Operating throughout the UK and USA, this leading retailer (turnover c.£1 billion) has identified the need to strengthen its high profile financial and strategic planning and analysis team with the appointment of two Group Planning Managers.

Whilst both successful candidates will be very closely involved in all aspects of the group's planning and forecasting process:

- **One will primarily focus on group profit planning, together with operational and commercial issues in respect of the UK operations, and**
- **the second will focus on monitoring the US operations, together with group balance sheet and cashflow planning.**

You will be a graduate qualified accountant aged 28-33, possibly with an MBA, with experience of financial planning and analysis in a demanding, dynamic environment.

Liaising with executives at the highest level and as a key player in a small, focused head office, personal attributes will include a pragmatic highly committed 'can do' attitude, combined with a high level of technical ability and its commercial application.

Interested candidates should respond with cv at the earliest possibility, quoting ref. no. 2066/FT to Wayne Thomas, Director, Wheale Thomas Hodgins plc, Executive Resourcing, 13 Berkeley Square, Clifton, Bristol BS8 1HG. Faxed cvs will be welcomed - 0272 272315.

WHEALE · THOMAS · HODGINS · PLC

FINANCIAL CONTROLLER : EUROPE

N. Home Counties **Business Services** **c. £40,000 + benefits**

Our client has a demonstrable and maintainable competitive edge in the sector in which it operates. These standards are achieved through a combination of technological superiority and a marketing orientated focus towards customer service.

Reporting to the Regional Operations Director (Europe) you will interpret and investigate the management information outputs compiled by the in-country finance teams; reliability and timeliness are of paramount importance. This will involve developing an understanding of key business issues on a variety of fronts (capital expenditure, contract pricing, cost reduction) and, as such, will provide an opportunity to influence commercial strategy.

A qualified accountant, fluent in either French or German, suitable candidates will have finance and commercial experience gained from pan-European service-related organisations.

A practical approach and first rate communication skills are essential personal attributes in a role that offers genuine career prospects and the opportunity for extensive travel in mainland Europe.

To apply, please write with a full CV, quoting ref. no. 5068/FT to David Pottier, FCMA, Wheale Thomas Hodgins plc, Executive Resourcing, 13 Berkeley Square, Clifton, Bristol BS8 1HG.

WHEALE · THOMAS · HODGINS · PLC

YOUNG FINANCE MANAGER

Expanding International Trading Organisation

City

c£30,000 plus bonus

Our client is a worldwide trading organisation with markets located around the globe and with particular strengths in Africa, South East Asia, South America and Europe. Growing and profitable, the business has a diverse portfolio of products and an informal but strongly commercial style of management.

Reporting to the Group Finance Director, your role will consist of an all round brief with the opportunity to extend your financial and accounting skills as well as to be closely involved in business decisions. Precise areas of activity will include group consolidations, statutory accounts and financial reporting, monthly accounts, FX and credit control as well as some taxation and payroll responsibilities. You will also be given early responsibility to work on commercially important projects, to liaise with operational companies and to be an integral member of the management team.

Probably aged 26 - 32, you will be a qualified ACA or ACCA with at least two years' PQE. You must be PC literate, commercial in outlook and prepared to tackle diverse and demanding tasks. Previous experience in an export environment would be particularly useful.

Please write with full career and salary details to: Brendan Keelan, MSL International Limited, 32 Aybrook Street, London W1M 3JL, quoting ref: A52F64.

MSL INTERNATIONAL

EXECUTIVE RECRUITMENT CONSULTANTS

LONDON	BIRMINGHAM	GLASGOW	LEEDS	MANCHESTER
071 487 5000	021 454 8864	041 248 7700	0532 454757	061 834 2425

Coopers & Lybrand | Executive Resourcing

Financial Controller

BERKSHIRE M4 CORRIDOR **TO £35,000 PLUS CAR**

This is an excellent opportunity to play a key role in the further development of this highly successful and independent IT systems solution provider and sourcing specialist. The company has gone through a period of rapid expansion and increasing market penetration since its formation four years ago and is now seeking to strengthen its management team through this appointment.

Reporting to the Managing Director, you will have full responsibility for overall expense controls, financial reporting and analysis and management reporting and accounts. Early objectives will include the further development and implementation of management information systems and the advancement of management reporting essential to secure the key information to control and plan the commercial success of the business.

A graduate qualified accountant, you will probably be in your late 20s with some two years' PQE and possibly seeking your first move from the profession. You must be capable of managing and developing the finance/accounting function in an effective and economic manner, and be able to apply creative and practical solutions to ongoing and developing issues. A "hands on" and enthusiastic individual, you must have the appropriate interpersonal skills and personality to adapt to and handle the rigours of a fast-moving business actively pursuing and enjoying considerable growth.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to Adrian Edgell, Coopers & Lybrand Executive Resourcing Limited, 9 Greyfriars Road, Reading RG1 1JG, quoting reference AE898 on both envelope and letter.

c. £100,000 package + benefits

Major International Media Business

Monaco/ London

Group Finance Director

Sustained international growth and restructuring has created an exceptional opportunity for a top-flight, experienced financial professional within this leading production and distribution company. High profile role, at the heart of an international business which carries excellent potential for career and capital gain.

THE ROLE

- Reporting to the Chief Executive, providing a full budgetary, financial management and control service, on the basis of US GAAP, through an established finance function.
- Working closely with financial advisers on corporate development and actively supporting business unit managers in reviewing and upgrading systems and reporting format.
- Evaluating acquisitions/disposals and joint venture opportunities and driving financial integration of operations. Managing external financial intermediary relationships.

THE QUALIFICATIONS

- Mature and flexible MBA/graduate accountant, aged 35-50, with board level financial management and control experience from a fast-moving, customer-focused business. Media experience advantageous.
- Disciplined, hands-on agent of change with questioning and challenging style. Comfortable operating within diverse international business cultures. Highly PC literate.
- Robust yet charismatic networker with first class communication and leadership skills. Commitment to extensive travel essential.

Leeds 0532 307774
London 071 493 1238
Manchester 061 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to:
Selector Europe, Ref. [illegible],
16 Connaught Place,
London W2 2ED

To £50,000 package + benefits

Highly Acquisitive, International Group

Midlands/ London

Corporate Finance Executive

Outstanding opportunity for a bright, ambitious and commercially orientated young professional to work at the heart of one of the UK's most successful and highly respected FTSE 100 companies. High profile role with a challenging remit, supporting acquisition and divestment activity worldwide.

THE ROLE

- Supporting the Director of Corporate Finance in all aspects of acquisition and divestment transactions to support a progressive strategy to achieve leadership in the Group's chosen markets.
- Participating in negotiations with principals and financial advisors. Co-ordinating due diligence exercises, including intellectual property and competition issues.
- Providing research into specific companies and industry sectors, worldwide. Assisting in the preparation of investor information.

THE QUALIFICATIONS

- Assertive graduate, aged 27-35, ideally with a second business qualification and a distinguished functional track record in finance, engineering, marketing or from the professions.
- Diligent, hard-working and committed self-starter with first class communication and analytical skills. PC literate.
- Ambition to work at plc Board level with the style, gravitas and polish to grow both professionally and personally in the role and engender confidence, internally and externally.

Leeds 0532 307774
London 071 493 1238
Manchester 061 499 1700

Selector Europe
Spencer Stuart

Please reply with full details to:
Selector Europe, Ref. P6181094L,
16 Connaught Place,
London W2 2ED

Bankers Trust BARINGS S.G.WARBURG

ACA CAREERS EVENING

Financial Services

Harrison Willis has great pleasure in inviting qualified ACA's (including Finalists) with up to three years post qualification experience to attend an informal Careers Evening.

Representatives from a number of the city's major investment banks and other financial institutions will be on hand to discuss career opportunities in general and also specific roles within their organisations.

The venue will be the Barbican on Wednesday 28th September from 6.00 - 9.00 p.m. *Drinks & Buffet. **Entrance by invitation only.***

For full details and to reserve a place, please contact either **Chris Herrmannsen, Jonathan Astbury** or **Adrian Thompson on 071-629 4463** (evenings & weekends **0850 007511**).

PE2 HOTLINE 071-629 4463
9.30 -11.30pm Friday 16th September

HARRISON WILLIS
FINANCIAL RECRUITMENT CONSULTANTS

Central and Eastern Europe

Coopers & Lybrand

- Czech Republic
- Russia
- Hungary
- Latvia
- Poland
- Slovak Republic

ONE OF THE LARGEST EVER INTERNATIONAL RECRUITMENT CAMPAIGNS, OFFERING UNRIVALLED OPPORTUNITIES FOR ACCOUNTANTS TO WORK IN THESE CHALLENGING LOCATIONS. THERE IS NO REQUIREMENT TO SPEAK THE LOCAL LANGUAGE.

Managers/Senior Managers

Coopers & Lybrand Member Firms in Central and Eastern Europe are among the leading providers of Audit and Business Advisory Services to major multinationals and high growth local businesses in the region. Douglas Llambias Associates have been exclusively appointed to coordinate a major campaign which includes recruiting in excess of 15 qualified accountants for these firms. Initial contracts will be for a minimum of 18 months, commencing before the end of 1994. Remuneration packages are highly attractive.

The roles will involve managing audit and other advisory assignments for a diverse portfolio of clients, many of whom are highly acquisitive and looking for quality advice on financial and business decisions.

Interview Programme

Interviews will be held during October 1994 in:

- London
- Birmingham
- Manchester
- Leeds
- Bristol
- Glasgow
- Edinburgh
- Dublin

Other cities locally by arrangement. Successful candidates will be flown for a fact finding office visit.

Please forward your CV to: **Geraint Evans** or **Bruce Page** at Douglas Llambias Associates, 410 Strand, London WC2R 0NS (Fax 071 379 4820). Alternatively, telephone 071 836 9501 (daytime) or 081 943 9614 (evenings/weekends) for more detailed information.

DOUGLAS LLAMBIAS
RECRUITMENT CONSULTANTS

APPOINTMENTS ADVERTISING

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday

For further information please call:

Gareth Jones on +44 71 873 3779

Andrew Skarzynski on +44 71 873 4054

Philip Wrigley on +44 71 873 3351

Brian O'Neill on +44 71 873 4027

Bilingual Commercial Director

c £50,000 equiv + bonus housing, car & benefits

Spain

We are seeking a top flight, interactive, young commercial executive with an international outlook for a highly visible role in an international services group whose Iberian infrastructures and facilities are amongst the most advanced in Continental Europe.

Tha newcomer will join a team which is taking the business to an increasing number of major international blue chip clients and the top echelon of Spanish companies. In this he/she will play a leading role alongside the Chief Executiva, Sales and Operational colleagues in project configuration and development, contract negotiation and customer/client management. Internally there is a requirement to lead the finance function with a genuine interest in working with the team to further develop the individuals and the quality of financial analysis, reporting and control into a well honed support operation.

Applicants must be graduates, fluent in Spanish and English, with a high grade business degree, MBA or ACA qualification. A team player is essential who possesses strong commercial instincts, well developed analytical skills, the ability to think creatively and to present to an exceptional standard. Age guideline early 30's.

Please reply in confidence quoting Ref L570 to:

Brian H. Mason,
Mason & Nurse Associates,
1 Lancaster Place, Strand,
London WC2E 7EB.
Tel: 071-240 7805.

Mason & Nurse
Selection and Search

Global Merchant Bank

Head of Internal Audit

City

c£50,000-£60,000 + Benefits

Our client is a highly successful international merchant bank which offers a range of activities, including full trading and advisory services. Driven by an experienced management team, the bank is renowned for its innovative approach to new product development and for providing a value added service to a wide range of corporate clients.

An opportunity exists to strengthen the management team with the appointment of a Head of Internal Audit. Reporting to a main Board Director, the role offers a high degree of autonomy. Leading a team of qualified accountants, the appointee will immediately assume overall responsibility for the planning, review and implementation of financial and operational controls world wide, covering all aspects of the banks activities. The successful candidate will also handle a variety of ad hoc assignments.

This opportunity will appeal to a Chartered Accountant with a minimum of seven years post-qualification experience, currently working within a merchant bank or securities house. Strong interpersonal skills, IT literacy and an in-depth understanding of capital markets and other financial products are essential. A knowledge of complex structured instruments would be of particular interest as would some experience of UK, US and European regulatory requirements.

Interested applicants should write, in the strictest confidence to Paul Marsden or Brian Hamill, at the address below quoting reference PM264.

WALKER HAMILL
Executive Selection

29-30 Kingly Street
London W1R 5LB
Tel: 071 287 6285
Fax: 071 287 6270

Financial Controller

City **c £60,000 + Excellent package**

Our client, the London based operations of a AAA rated global bank, is a market leader in a broad range of investment and wholesale banking activities, ranging from securities and derivatives trading to corporate and private banking.

Critical to the success of these businesses is the provision of cost effective IT, premises and other central support services.

The purpose of this appointment is to establish a small unit which will ensure these service providers are adequately controlling their significant expenditure budgets, whilst remaining responsive to the dynamics of the increasingly complex business environment.

Reporting to the Finance Director, responsibilities include improving communication and understanding between business units and cost centre managers, coordinating activities and enhancing the quality of information flows, planning, reporting and control procedures.

We seek an experienced, self motivated, IT literate, qualified accountant with excellent analytical, negotiating and influencing skills, together with a highly developed commercial awareness.

Candidates aged less than 35 are unlikely to have the depth of experience required for this position. Proven ability to initiate and manage change, deliver projects to tight deadlines and improve performance within a demanding, fast moving service environment will be essential.

Interested applicants should forward a comprehensive CV, quoting reference 202553 to **Diane Forrester ACA or Stephanie Warren, Executive Selection Division, Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.**

Michael Page Finance
Specialists in Financial Recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
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The Top Opportunities Section

For Senior Management Appointments

For advertising information call:

Philip Wrigley on +44 71 873 3351

Coopers & Lybrand Executive Resourcing

Financial Director

SOUTH EAST **c £75,000 + BENEFITS + OPTIONS**

For a dynamic and rapidly expanding retail group. This fully listed Plc employing assets of over £100 million anticipates continued fast growth and seeks an experienced financial manager to join a young and highly motivated group management team.

Reporting to and working closely with the Chief Executive, you will have total responsibility for the finance function and for managing the head office based accounting team. Initial emphasis will be on building appropriate systems to cope with the rate of growth and on providing the board and management with key financial and management information. There will be considerable scope for the right candidate to make a significant commercial contribution and the job will involve a high profile with City institutions and Banks.

The role is likely to suit a qualified accountant in his or her thirties who is seeking their first Plc financial directorship. With strong financial and management accounting skills and experience gained in a blue chip environment, you should combine a hands-on approach with the ability to contribute at the strategic level. Ideally, you will have experience both at operating and Group level. Strongly commercial and results orientated, you will be enthusiastic, intelligent and a team player with first class verbal and written communication skills. Preference will be given to those with experience in a sophisticated retail environment. A knowledge of project accounting and/or property based business would be an added advantage.

Please send full personal and career details, including current remuneration and daytime telephone number, in confidence to Torrance Smith, Coopers & Lybrand Executive Resourcing Ltd., 1 Embankment Place, London WC2N 6NN, quoting reference TS1039 on both envelope and letter.

A major new challenge in computer audit.

City | c.£40,000 + car + benefits

LIFFE is Europe's leading marketplace for the trading of financial futures and options. With a world-leading product range generating record volumes of business, we continue to expand rapidly.

Our Internal Audit function is responsible for reviewing the total spectrum of operational activities and systems at LIFFE. To support the function's continuing development, we are looking for a high-calibre individual – ideally ACA or CICA qualified – with at least three years' experience of leading computer audit assignments.

Here you will play the lead role in auditing computer systems, both live and under development, in a state-of-the-art technical environment providing crucial support for every aspect of our operations. Reporting to the Head of Internal Audit Services, you will review the efficacy of internal controls and work closely with line management to introduce appropriate improvements. You will also contribute to the audit planning process and the wider development of this fast-growing function.

This is essentially a hands-on role, calling for excellent interpersonal skills and broad business understanding in addition to well-practised technical skills. A collaborative, value-adding approach to audit issues is encouraged, so you must combine natural diplomacy with the drive to make things happen. Your experience should have been gained in the financial sector, and will ideally have included audits of live and developing systems as well as installation reviews. Knowledge of prototyping and exposure to UNIX and/or VAX environments would be distinct advantages.

Salary will be backed by competitive benefits, and there are good prospects for further development within our rapid-growth environment. To apply, please send your full cv to Charles Crookall, Personnel & Training Manager, LIFFE, Cannon Bridge, London EC4R 3XX.

LIFFE

The London International Financial Futures and Options Exchange

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Director of Finance and Administration

London ***c.£50,000 and benefits***

▪ The National Farmers Union is one of the largest and most renowned industry associations in Britain with a total staff of over 800.

▪ A powerful and professional lobby on behalf of British agriculture and horticulture in the UK and in the European Union, it also provides a wide range of valuable direct services to its members and is closely linked through its large field organisation with the NFU Mutual Insurance Society.

▪ In order to ensure continuity and a structured handing over of responsibilities from the present Deputy General Director who is retiring next year, the NFU is seeking to appoint a new Director of Finance and Administration in early 1995. As one of three directors reporting to the Director General, the Director of Finance and Administration will ensure that the finance, IT and administration functions provide a most effective contribution to the NFU's success. To fulfil this role candidates will need to be able to combine first class business skills and to work within a democratic organisation.

▪ Key requirements are the credibility to perform in a hands-on manner and the ability to manage a sizeable and complex organisation. Candidates should be qualified accountants aged c.50, already experienced in providing strong financial management and control, and capable of making a full contribution as a member of the senior management team.

• Personal characteristics required are the ability to operate within teams, as both leader and player and to sustain interest in detail as a sound foundation to effective strategic planning. Experience in a service led business would be advantageous.

• Please send your curriculum vitae to Suzanna Karoly quoting Reference SK 566 at Ernst & Young Corporate Resources, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

ERNST & YOUNG

The Royal Bank of Scotland is undergoing a period of dramatic and exciting change, re-evaluating and enhancing all areas of the business in a drive to become the best performing financial services group in the UK.

Managing change and growth

FINANCE MANAGER

c. £30–32,000 + CAR + BANKING BENEFITS

BRISTOL BASED

A major growth area is the Securities Services Division, which operates in a highly competitive marketplace, and is a leading player in Global Custody and Company Registration. With a major investment programme underway, including a recent substantial acquisition, the need has arisen for a high calibre professional to drive through the process of change and development.

As a member of the business unit management team, you will be responsible for the complete financial and management reporting, related systems and supervision of the finance function. You will be expected to understand the main business forces and push through significant changes in the financial systems and culture to enable the business to attain its growth objectives.

You should be a qualified accountant with 4-7 years' PQE, and a successful track record in managing the finance function of a high transaction volume business, as part of a larger group, together with a high degree of IT literacy. Commercially astute and highly energetic, you will also need the ability to communicate with people at all levels and the potential to contribute to the corporate strategy.

Excellent career prospects exist for the right person. The generous salary and benefits package will include company car, subsidised mortgage, bonus and non-contributory pension.

Interested applicants should apply directly, in confidence, to Mark Wainwright at Mark Wainwright Associates, Walmar House, 296 Regent Street, London W1R 5HD.

Telephone : 0171-436 4424, evenings on 0181-546 1095. Alternatively, fax your details on 0171-436 7690.

Committed to Equal Opportunities

The Royal Bank of Scotland
WHERE PEOPLE MATTER

QUALIFIED ACCOUNTANTS

United Arab Emirates **to £38,000 tax free + benefits**

Our client, a prominent and much respected financial institution based in the United Arab Emirates, seeks to enhance further its control function by the appointment of experienced Internal Auditors.

In addition to auditing a varied investment portfolio, you will be responsible for the evaluation of the adequacy and effectiveness of compliance procedures, systems and controls.

Ideally aged 28 to 40, you will be a UK qualified ACA/ACCA and possess a minimum 4 years' relevant experience gained within the financial sector. You should be computer literate and have the necessary communication skills to work in a multinational environment and be comfortable dealing with various levels of management. Knowledge of EDP auditing will be an advantage.

In addition to a tax free salary, the comprehensive expatriate benefits package includes a renewable two year contract, furnished accommodation, educational allowances, generous annual leave with return air fares etc.

If you are interested in this challenging opportunity please send your curriculum vitae in strict confidence to Philip Wright.

7 BIRCHIN LANE
LONDON EC3V 9BY

Tel: 071-695 8060
Fax: 071-625 2092

International Financial Recruitment Consultants

A Member of The Devonshire Group Plc

Assistant
Financial Controller

Insurance plc - Kent c. £36,000 + Benefits

Our client writes UK provincial insurance business and, following its flotation, needs to strengthen its accounts function by creating this position.

You and your team will be responsible for the production of all financial reporting and the management of the cashiering and expense control functions.

You will be a chartered accountant with a hands on approach and an assertive and good humoured personality. You must have insurance experience working either in the industry or with a professional firm.

Please contact one of our consultants for an initial discussion in the strictest confidence quoting Ref: 4808 at 20 Cousin Lane, London EC4R 3TE. Tel: 071 236 7307.

STEPHENS SELECTION

A STEPHENS CONSULTANCY
London New York Hong Kong Tokyo

TREASURY ANALYST

BERKS **c£28,000 + CAR**

THE COMPANY

- UK plc with turnover of £1 billion
- World-wide operations and strong balance sheet
- Committed to the development of employees' potential

THE ROLE

- Broad based role with involvement in foreign exchange and interest rate risk management strategies, as well as dealing
- Responsibility for continuing PC based systems development within the department
- Part of a small professional team providing support services to main board and subsidiaries on key issues

THE PERSON

- Graduate qualified accountant with strong academic record and successful career progression
- Corporate Treasury experience in a major multinational plc, or relevant exposure gained within "big six" accounting firm
- Self Starter, pro-active with strong inter-personal and analytical skills.

The position is seen as a key entry point to the Group's Finance function, offering the successful candidate the opportunity to grow within Treasury, or within the financial areas of either the Group's Head Office or its businesses.

Please write enclosing full curriculum vitae quoting ref: 154 to:
Nigel Hopkins FCA, London House, 53/54 Haymarket, London SW1Y 4RP
Tel: 071 839 4572 Fax: 071 925 2336

NIGEL HOPKINS & ASSOCIATES
FINANCIAL & TREASURY SELECTION

HENRY ANSBACHER

CORPORATE FINANCE EXECUTIVE

Attractive salary & banking benefits **City**

AN EXCELLENT OPPORTUNITY TO JOIN THE EXPANDING CORPORATE FINANCE TEAM OF A LONDON BASED MERCHANT BANK.

THE COMPANY

- Henry Ansbacher is a long established London based Merchant Bank providing services in Corporate Finance, Banking, Treasury as well as Securities and LDC Debt Trading and is part of the First National Bank of Southern Africa Group, one of the largest commercial banking groups in Southern Africa.
- Due to continued business expansion a high calibre Executive is sought to join the successful Corporate Finance team.

THE POSITION

- Working on domestic UK, cross-border European and Southern African Corporate Finance advisory mandates.
- Assisting senior executives in maintaining and developing the client base.
- Conducting research and analysis in support of business development.

QUALIFICATIONS

- Newly/recently qualified ACA/Lawyer/MBA with strong academic background.
- Ideally with some exposure to Corporate Finance.
- Numerate with PC modelling experience.
- Highly committed team player with excellent communication skills, who is innovative, creative and thrives on challenges.

Please apply in writing to Marc Hoodless, Personnel Manager, enclosing a full CV.

A member of the First National Bank of Southern Africa Group

HENRY ANSBACHER & CO. LIMITED
ONE MITRE SQUARE, LONDON EC3A 5AN
A member of the SFA and the London Stock Exchange

INTERNATIONAL OPERATIONAL REVIEW

AGE 25-35 THAMES VALLEY

This blue chip multinational organisation continues to increase its market share and expand through its global operations. As a result, the company is looking to expand its dynamic, high-profile operational review function, with the following positions.

SENIOR AUDITOR c £30-35K

Reporting to the Corporate Audit Manager, this is an opportunity for a graduate ACA with two to four years PQE. Responsibilities will include management of assignments and extensive liaison with senior operational and financial management in order to produce high level strategic reports.

AUDITOR c £24-28K

A newly qualified ACA is required to join the team responsible for operational and systems review of international business units and identification of key commercial risks. Long term career prospects lie either within the department or alternately within a line finance position.

The successful candidates will demonstrate a good academic and professional pass record, together with highly developed communication skills. Some exposure to computer audit and/or foreign language ability would be advantageous but not essential. A willingness to undertake some international travel is required.

Interested candidates should call Tracy Message, on 0753 831515. Alternatively, send your CV to her at Robert Walters Associates, 42 Thames Street, Windsor, Berkshire, SL4 1PR. Fax 0753 678908.

ROBERT WALTERS ASSOCIATES

Finance Director

Wiltshire/M4 corridor

c.£50-£60,000 pa
Plus Bonus & Car

Our client is the UK operating company within a profitable and growing US group, where worldwide turnover exceeds $2 billion. The group offers diverse business services to private and public sector organisations across North America, the UK and Europe.

As a result of a recent promotion this exciting opportunity has arisen. Leading and developing a large finance function and playing a significant role in moving the business forward your key responsibilities will include:

- Creating a mission and objectives for the finance function and ensuring the positive development of the department and the staff.
- The provision of effective financial controls as well as accurate and timely accounting and statistical information.
- Ensuring the provision of relevant information for business decision-making and contributing to key commercial and strategic decisions.
- Identifying areas and plans for improvement and increased profitability, and thereafter ensuring agreed solutions are implemented.

In order to add value at an early stage you must be a team player who can clearly demonstrate:

- A strong financial management background with the vision to take the strategic as well as the detailed perspective.
- Evidence of direct contribution to the bottom line with an ability to actively contribute to an environment of change.
- *Well-developed leadership skills, powers of persuasion* and commercial credibility, able to present both innovative ideas and controversial issues in a convincing manner.
- A clear understanding of international cultural differences, with an ability to communicate at all levels and across all functions.

You will be a Qualified Accountant with broad finance and commercial experience obtained at a senior level, within a blue-chip (ideally international) group. Additionally, you will have a strong affinity to computerised systems and will actively seek to improve efficiency through systems development.

If you feel that you are able to rise to this challenge, you should write to Karen Wilson, Hoggett Bowers, George V Place, 4 Thames Avenue, Windsor, Berkshire, SL4 1QP, enclosing a recent CV and a note of current salary, quoting Ref: WKW/5349/FT.

Hoggett Bowers
EXECUTIVE SEARCH AND SELECTION

Controller - Northern Europe

London/Surrey Borders

c.£40,000 pa
Plus Car

Our client is internationally renowned for its leading quality brands in consumer products and services. It sets and maintains equally high standards for its personnel. It rewards the success of these personnel with rapid and challenging career opportunities and promotions.

As a result of recent promotions and developments this exciting role has arisen in the Northern European Head Office. The position is responsible for providing the strong, innovative and *intrusive control environment* which will *provide the framework for a fast* moving entrepreneurial approach. Specifically the responsibilities include:

- Ensuring that the consolidated financial statements are accurately and promptly prepared, as well as providing perspective and advice on accounting control and policy compliance to local management.
- Improving profitability by advising senior management on such issues as business proposals, project evaluation and providing financial perspective on market place decisions.
- Leading, motivating and developing a small team of direct reports and assisting regional management in the development of their staff.
- Challenging existing processes, and seeking positive developments and simplifications in all aspects of financial control and reporting.
- Various ad hoc tasks which may include review of potential acquisitions and disposals.

In order to perform and develop the above role you will be an ACA/CA who is either presently a Manager within a 'Big 6' firm or alternatively within the Group Accounting function of a large blue-chip organisation. Additionally, you must clearly demonstrate:

- A strong technical and disciplined approach with the highest level of integrity.
- Up-to-date knowledge of and interest in UK legislation (and possibly but not essentially US GAAP and European guidelines).
- A high level of personal maturity and credibility able to build relationships at all levels and across all functions.
- Flexibility and a positive attitude to change.
- An ability to persuade and influence even under pressure and over controversial issues.

This role represents a key entry point into the organisation. If you would like to discuss it further, you should write to Karen Wilson, Hoggett Bowers, George V Place, 4 Thames Avenue, Windsor, Berkshire, SL4 1QP, enclosing a recent CV and a note of current salary, quoting Ref: WKW/5348/FT.

Hoggett Bowers
EXECUTIVE SEARCH AND SELECTION

EUROPEAN FINANCE DIRECTOR

London **c£60,000,bonus,car**

Servicing a blue chip customer base, this substantial UK plc is undergoing an ambitious restructuring programme designed to provide technical and commercial synergies and economies of scale unparalled in its industry sector. Fundamental to the achievement of its aggressive business objectives is the setting in place of financial systems which will allow the organisation to function in a world class manner. The requirement is for a high calibre finance professional, through the management of a small highly qualified team, to drive process re-engineering throughout the organisation and, in addition to ensuring best practices are achieved in each of the divisions, enable the company to maximise its profit and cash generation. This will involve a planned approach to regionalising the finance function to improve control and financial management information. Reporting to the Group Finance Director, candidates in their mid thirties, will possess an impressive first degree, ideally a post graduate business qualification and fluency in French combined with a significant and proven operational finance background gained in manufacturing. This is a senior management role and opportunities for further career enhancement within this fast changing organisation are exceptional for talented and results-orientated individuals. The compensation package includes a generous performance-related bonus which demonstrates the importance and seniority of the role. **Please forward in absolute confidence a full curriculum vitae to Adderley Featherstone plc, 4 Woodside Place, Glasgow G3 7QF. Tel: 041 353 5130. Fax: 041 353 3032.**

ADDERLEY·FEATHERSTONE plc
Executive Search ● Management Selection ● Human Resource Consultancy

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DEVELOPING BUSINESS LEADERS

Exceptional Global Experience for Fast-Track Performers

One of the world's most successful global giants, GE aims to be first in every one of its markets – from light bulbs to power plants, airplane leasing to credit cards, commercial real estate to network broadcasting. With a passion for excellence, a refusal to be less than the best and consistent gains in revenue, profit and productivity, GE's corporate values are unique.

The Company's premier management training ground is the GE Audit Staff, whose mission is to ensure financial integrity, improve business process efficiency and develop future business leaders.

Focusing on areas of highest risk and maximum return, the audit teams work with the businesses to drive strategic initiatives and improve critical processes through reduced cycle time and greater efficiency. Responsibilities include assessing financial and compliance risks, performing due diligence reviews of acquisitions, identifying and often implementing corrective actions and presenting findings to management.

As part of an international team, auditors undertake three or more assignments per year, each at different GE businesses around the world. Supported by an accelerated training programme, they develop a broad experience base from their involvement in all functions and are subsequently promoted to key leadership positions in the Company.

This unique challenge demands exceptional, highly-motivated, results-oriented individuals, keen to achieve their full potential while gaining diverse global business experience. Outstanding analytical and inter-personal skills are important, combined with the ability to work well independently and in a team. Candidates, who will be either newly or recently qualified ACA/CIMA/MBAs or have 2-5 years' commercial experience, must have a strong academic background and fluency in English and at least one other language.

One of the world's foremost leadership development programmes, the demands are high... the rewards outstanding.

Interested applicants should post or fax a full CV, quoting ref 080, to the address below. For more information, call us on 44-71-329 4649 (weekdays) or 44-81-467 1408 or 44-71-231 8272 (evenings and weekends).

Note: Any CVs sent direct to GE will be forwarded to Alderwick Consulting Ltd.

USA*

GE is an equal opportunity employer.
** Not associated with the English company of similar name.*

ALDERWICK CONSULTING
SEARCH & SELECTION
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LONDON EC4M 7NB.
TEL: 44-71-329 4649 FAX: 44-71-329 46[illegible]

FMS
FINANCIAL SEARCH & SELECTION SPECIALISTS

GROUP FINANCIAL REPORTING

CENTRAL LONDON

DEVELOPMENT OPPORTUNITIES WITH MAJOR BANKING GROUP

As a result of an internal promotion and the creation of a new position, two key opportunities have arisen within the Group Reporting function of this major Banking Group. The function is responsible for the preparation of the Group's UK and US financial statements, development of Group accounting policy, Regulatory reporting and analysis and the consolidation of the Group's management accounts. Both positions report to the Head of Group Reporting.

MANAGER - GROUP REPORTING

to £37,000 + Banking Benefits

This position has primary responsibility for identifying the impact of new accounting standards and legislation, interpreting and implementing regulatory requirements, capital analysis and reporting as well as regular Bank of England reporting. Suitable candidates will be Qualified Accountants (most probably ACA) with at least three years post qualification experience, ideally gained within the financial services sector. A strong academic background combined with a thorough knowledge of UK accounting standards is a minimum requirement and a knowledge of the banking regulatory environment would be an advantage. As a high profile role, it requires a candidate who can communicate with and win the confidence of senior management, whilst being able to demonstrate the potential and ability to develop into more senior roles in the medium term.

MANAGER - SEC REPORTING

to £32,000 + Banking Benefits

This position has responsibility for preparing Group financial statements to US GAAP requirements, identifying the impact of and implementing US accounting standards and working closely with external financial and legal advisors in liaising with the US Securities and Exchange Commission.

Suitable candidates will be Qualified Accountants (most probably ACA) with at least two years post qualification experience, with a strong academic background. As a minimum, however, you should have a sound knowledge of UK accounting standards. While previous US accounting and reporting experience is not essential, it would be a distinct advantage. Individuals must possess strong oral and written communication and presentation skills.

If you are interested in progressing your career within this major financial services organisation, please send a copy of your CV together with a note of current salary, to Shirley Knight BA, MBA, ACMA at FMS, 5 Bream's Buildings, Chancery Lane, London, EC4A 1DY, or call her on 071-405 4161.

A MEMBER OF THE PSD GROUP

GUERNSEY

FINANCIAL CONTROLLER/ DIRECTOR DESIGNATE

RESPONSIBILITY FOR THE OFF-SHORE INTERESTS OF AN INTERNATIONAL CONSUMER GOODS COMPANY

Our client is a a highly successful, prestigious and independent consumer goods company whose brands are worldwide market leaders. Its off-shore business activities are managed and financially controlled from Guernsey.

In a new role, you will supervise both the accounting and administrative functions, as well as assist the Directors with developing new business opportunities, ultimately becoming financially responsible for all the Company's overseas investments.

This is both a "hand–on" role and one that is also key to the Company's strategic development. You are professionally qualified, probably at Chief Accountant level now, experienced in computerised systems and highly PC literate. A willingness to travel is essential and a knowledge of branded consumer products helpful.

Apart from the considerable financial and environmental attractions of living in Guernsey, the appointment will appeal to someone who enjoys a great deal of autonomy and who wishes to make a long-term career investment – one that leads to the Directorship of the Guernsey operations, as well as representing the Company on the Boards of the various overseas interests.

Please send a detailed CV, in confidence, to our adviser,
Robert Graham, *Bucher/Rugman & Partners,*
25 Buckingham Gate, London SW1E 6LD.

FINANCIAL DIRECTOR/ CORPORATE FINANCE EXECUTIVE

Entrepreneurial and Effective Accountant with Financial Management and/or Corporate Finance experience required to join an ambitious and fast-growing Corporate Finance company in the City in this dual role.

The successful applicant will be:

- Ambitious and Qualified
- 25-45 yrs old
- Have at least 2 years Financial Management/Corporate Finance experience
- Have a Commercial Outlook and Management Ability

Salary neg. with opportunity to attain partner level within 2 yrs on the basis of ability.

Please write with C.V. to: Paul Risico
Hamilton House, 1 Temple Avenue
Victoria Embankment, London EC4Y 0HA

FINANCIAL DIRECTOR

Northants — Attractive Salary Package plus Car

TEXTILE BONDING

Textile Bonding Ltd manufactures laminated and bonded products, particularly for the automotive industry. Turnover is c£10m and the company is a subsidiary of Readicut International Plc. and has plans for growth in existing and new markets.

Reporting to the Managing Director, the role will include responsibility for all financial matters and associated functions. The individual will also be expected to make a significant contribution to the commercial direction of the business.

The successful candidate will be an experienced qualified accountant, aged mid 30's to late 40's, with a proven record within a small to medium sized manufacturing business. Strong technical ability, enthusiasm and first rate communication skills are pre-requisites.

forsythe & kayee

Apply in writing to
FORSYTHE & KAYEE LTD
ACCOUNTANCY APPOINTMENTS
13/14 Park Place
Leeds LS1 2SJ
Telephone: (0532) 450851

GROUP FINANCIAL CONTROLLER OIL INDUSTRY SERVICES

East Anglia **c. £27,000 + car + benefits**

A rapidly expanding group involved in the provision of services to the oil and gas industry is seeking a dynamic young Accountant to assume overall responsibility for financial systems and the preparation of management accounts and budgets.

Probably aged 28/35 the candidate will preferably have had at least 3/4 years *commercial experience, but this is not as important as enthusiasm* and drive, an ability to communicate, and the willingness to form part of an entrepreneurial management team committed to growth. A familiarity with micro-computers, and the ability to use computers as an aid to planning and management control, is essential.

The remuneration package is negotiable and will include generous benefits. Interested candidates should write, enclosing a comprehensive C.V. to:

Rostron & Partners
Davey House
Castle Meadow
Norwich NR1 3DE

APPOINTMENTS WANTED

"HANDS ON" - ACMA

20 years in Manufacturing, experience in Accounting, Spreadsheets, Manufacturing Systems, Personnel. etc. Enjoys Working with Line Managers seeks senior position or accounting/ project troubleshooting assignment(s)

Write to Box A2144, Financial Times.
One Southwark Bridge,London SE1 9HL

Deputy Head of Finance and Administration

Excellent Package + Banking Benefits **City**

Our client is a publicly quoted financial institution, operating both in the UK and internationally, whose services include banking, corporate finance and investment management. Following a period of strong growth they now seek a Deputy Head of Finance and Administration to positively impact the business. The position represents an excellent opportunity to join a fast growing organisation at a senior level with clearly defined avenues for career advancement and challenge.

Reporting to the Head of Finance Administration your responsibilities will include;

- Overseeing accounting, financial systems, internal controls, tax and regulatory reporting for its operating companies.
- Involvment in the planning and implementation of all aspects of Business Development and Marketing.
- Managing the finance, operations, IT and security departments.

Ideal candidates will be qualified ACA's, probably in their early to mid 30's, with no less than 7 years PQE gained preferably in the Financial Services Industry. Commercial acumen and drive, combined with a broad breadth of finance, operations and administration experience are all essential for this multi faceted role. Communication and management skills will be commensurate with a position of this seniority.

If you have the required skills, experience and dynamism for this integral role then please write to our advising consultant Jonathan Kidd, Harvey Nash Plc, Dragon Court, 27-29 Macklin Street, London WC2B 5LX. Tel: 071 333 0033). Please quote reference no. HNF114

HARVEY NASH PLC

Accountancy Personnel

PROJECT ACCOUNTANT

East Anglia

c£32,000 +
Car, Benefits
& Relocation

Managing growth in International Markets...

With an impressive record of growth in financial performance and profitability over the last few years, our client is a major player within the international transportation industry. Fully committed to developing their worldwide markets they now seek an energetic and talented finance professional to take on a key role within their financial and commercial operations.

The Opportunity

Key responsibilities will include:

- Reporting to the Chief Accountant of this £200 million turnover business and working as an integral part of the senior management team.
- Review and investigation of existing systems and procedures across the business, devising a strategy for development and improving efficiency.
- Management of a series of major projects designed to optimise business performance.
- Financial control of branch offices in both the UK and overseas.
- Worldwide travel to destinations including Europe, USA, the Far East and Australia.

The Appointee

Key qualities will include:

- A graduate ACA with at least three to four years post qualification experience in a commercial environment.
- Proven communication skills at all levels, both oral and written.
- Ideally aged 28-35 with the confidence and determination to succeed in a highly competitive and dynamic business
- Strong team player and good man manager, able to instigate and manage change and handle difficult issues with tact and diplomacy.
- A record of significant achievement to date and a clear focus for the future.
- A further European language is desirable but not essential.

This role offers first class career development together with the opportunity to contribute to the commercial success of this progressive and forward thinking organisation. Salary will not be a limiting factor for the successful applicant.

This assignment is being handled exclusively by Accountancy Personnel. Interested applicants should forward their CV to Jane Garrard at Accountancy Personnel, 36 Museum St, Ipswich, Suffolk IP1 1JQ. Tel: (0473) 215068. Fax: (0473) 232738. Closing date for applications: Thursday 29th September 1994.

Hays

"Challenging opportunity for a Commercial Finance Professional"

FINANCE DIRECTOR

Package
Indicator
c£55,000
inc Bonus
+ Car

SURREY

Our client is the major provider of market data, and the prime source of information within their industry sector. As well as publishing a wide range of written product reports they are at the forefront of PC Software technology, offering an unparalleled range of services to maintain a competitive edge in a rapidly developing market. This highly profitable company is an important subsidiary of a major international group.

Working closely with and reporting to the MD you will be a key member of the senior management team, contributing to the continued growth of the company by providing input on all major finance-related issues. However, the key challenges will be the provision of effective and professional management, adding value to a business dedicated to change.

The successful candidate, most likely aged 30-40 will be a qualified accountant with relevant commercial experience and a track record of significant achievements. Other qualities will include excellent communication skills, a proactive approach and the ability to initiate new ideas. Your commitment and acumen will be rewarded both financially and by wide ranging opportunities available within the group.

To be considered for this appointment please fax or post a full CV to **Anthony Lewis** or **Neil Wax** at **FSS Financial Selection Services, Charlotte House, 14 Windmill Street, London W1P 2DY** or alternatively telephone on **071-209 1000** (Fax: 071-209 0001).

FSS
FINANCIAL
SELECTION SERVICES

Finance Director

To £45,000
+ Car +Benefits

Midlands

This £60 million turnover business services company, is the UK market leader within its sector. Currently they are looking to consolidate this position through organic growth and by acquisitions, in addition to attaining a pre-eminent status within their European markets.

As a result of an internal promotion they require a UK Finance Director who will have the following key responsibilities:

- the overview and continuing development of the Management Information Systems;
- supervising a team (c30 staff) which will ensure the appropriate financial and management information on which to base key decisions at divisional and group level;
- developing a positive relationship at the operational level and providing commercial input where appropriate.

Ideally aged between 30-40 years old, qualified accountant of graduate calibre, you must demonstrate hands-on experience of systems development within a multi-site operation; strong financial control, interpersonal, and man management skills; as well as a keen commercial awareness.

In return there is an excellent package, including relocation if appropriate, and the opportunity to join a rapidly expanding division of a major Plc.

Suitably qualified and experienced candidates should send a full CV to:

David Greenwell Associates
quoting reference 0994,at
52 St Pauls Square, Hockley,
Birmingham B3 1QS

DG

Finance Director

West London **£40K**

Our client is a respected and publicly quoted service group based in West London. They now seek to recruit a Finance Director who will take responsibility for the management and financial accounting functions of their business.

Reporting to the Executive Chairman you will take immediate control of monthly management accounts, budgeting and general systems management. In addition, you will manage the general administration and information technology functions, whilst having significant input into further development of the group accounting and company secretarial functions.

The appointment represents a high profile opportunity for a qualified accountant to make a commercial contribution to the business by providing effective financial advice and guidance at senior level. You will support your technical competence with a high level of self motivation, initiative and commercial ability.

In the first instance, please send your CV to Tracey Holloway or Steve Maslin at Grant Thornton, International House, 7 High Street, Ealing, London W5 5DB.

Grant Thornton
MANAGEMENT CONSULTANTS

EAST MIDLANDS

Group Financial Director

TO £40K PLUS EXECUTIVE BENEFITS

Our client, a privately owned company, is a rapidly expanding and dynamic motor distribution and leasing group. With a turnover in the region of £20 million, they now require a Group Financial Director to supplement the senior management team.

Reporting directly to the Chairman, the successful candidate will be a qualified accountant, ideally hold an MBA qualification and be aged late 30's plus. It is essential that the successful candidate has a proven track record of raising finance and dealing regularly with both bankers and financial institutions. Experience of working within a rapidly growing organisation would be a considerable advantage.

The position will have prime responsibility for managing the finance function as well as advising the Board on all strategic and operational matters, in particular corporate finance and treasury issues.

If you believe you have the drive and ambition to work within a fast moving and challenging environment, then please write enclosing full personal and career details to: Suzanne Dobinson, quoting reference: FT300, Robson Rhodes, Management Consultancy Division, Bryanston Court, Selden Hill, Hemel Hempstead, Herts. HP2 4TN.

ROBSON RHODES
Chartered Accountants

RSM
International

FINANCIAL CONTROLLER

QUOTED COMPANY - S.W. LONDON ACA 28-35 c £35,000

This is a senior role with significant input to the financial aspects of trading decisions and their results, whilst embracing normal financial control disciplines.

The successful candidate will possess both full accountancy skills and back-ground, plus a proven very high level of commercial awareness.

The Group is a financially strong and fast expanding market leader in wholesale distribution, with fully integrated BS. 5750 computerised management information systems.

Please reply in the strictest confidence to:
The Personnel Dept,
Northamber plc, Lion Park Avenue,
Chessington, Surrey KT9 1ST
OR Fax: 081 391 4464

Northamber

APPOINTMENTS ADVERTISING

appears in the UK edition every Wednesday & Thursday and in the international edition every Friday.

For further information, please call:
Gareth Jones on +44 71 873 3779
Andrew Skarzynski on +44 71 873 4054

SENIOR MANAGEMENT ACCOUNTANT VEHICLE MANAGEMENT SERVICES

SURREY £33K + FX CAR

Our client is a £60+ million subsidiary of a major diversified service industry PLC. The main operation is vehicle management for a fleet in excess of 8000 commercial vehicles and cars, from 80+ sites throughout the UK. Extensive business re-engineering, heavy investment in new systems and increasing emphasis on customer service, now demands an additional senior management professional to contribute to the future success of the business.

Reporting to the Financial Controller, the role will be to provide a high standard of management information and financial control.

Key tasks will include the preparation and co-ordination of annual budgets; management information on leasing contracts; enhancing monthly management accounting routines and developing reporting to assist line management.

Candidates should ideally be mature and experienced graduate accountants, probably CIMA members, aged late 20's early 30's with understanding of both leasing concepts and the innovative use of spreadsheets. Personality should be bright, assertive and enthusiastic.

A well developed communicative and responsive attitude is needed to support colleagues through a period of strategic change.

Applications by CV, including current remuneration, together with a handwritten letter explaining your suitability for the post to:

Executive 2000 Search & Selection
Sutton Park House, 15 Carshalton Road
Sutton, Surrey SM1 4LD Fax: 081-770 3794 quote ref: KC206

EXECUTIVE 2000
SEARCH AND SELECTION

FINANCIAL ACCOUNTANT

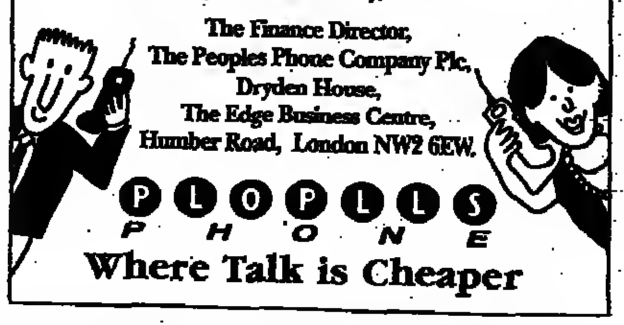
Package to £35k

Peoples Phone is one of the fastest growing companies in the country, operating in the mobile telecommunications market. Sales are currently in excess of £110m per annum. This success has been built on efficient systems and quality staff. We now require a Financial Accountant to fill a senior role reporting direct to the Finance Director.

You will be a qualified ACA with minimum of two years' PQE and preferably some experience in industry. You will be looking for a new challenge.

Your responsibilities will encompass the entire financial accounts function and will specifically include the implementation and operation of financial controls for our expanding retail chain.

You must possess strong financial accounting skills and be highly computer literate. Above all you must have the ability to operate in a rapidly growing commercial environment. The prospects for the right person will be excellent. If you are interested in joining our team, please write with c.v., stating your current salary, to:



The Finance Director,
The Peoples Phone Company Plc,
Dryden House,
The Edge Business Centre,
Humber Road, London NW2 6EW.

PEOPLES PHONE
Where Talk is Cheaper

APPOINTMENTS APPEARS ON WEDNESDAYS AND THURSDAYS UK

HEAD OF INTERNAL AUDIT

The London Office of a leading International Bank seeks a qualified accountant with substantial banking experience to manage a small team of experienced auditors.

This challenging role will involve responsibility for planning and supervising audits covering a wide range of banking activities, including lending, treasury, trade finance, retail and card operations in a sophisticated computer environment. An ability to liaise with and influence senior management is essential.

The ideal candidate would be a computer literate manager, in their late 20's/early 30's, looking for a first move out of the profession.

An attractive package, including banking benefits, is available to the successful candidate.

Please reply in confidence with salary details
and a copy of CV, by 29 September 1994, to
Box A2154, Financial Times,
One Southwark Bridge, London SE1 9HL

EUROPEAN FINANCE CONTROLLER TELECOM

VIATEL, Inc., an international telecommunications company with European headquarters in Paris and regional offices in Milan, Rome, Madrid, Barcelona, Brussels and Amsterdam, offers a Paris-based position for European Finance and Administrative Director in charge of upgrading accounting and fiscal procedures, with reporting to CFO in New York HQ.

Ideal candidate should possess:

- Minimum 5 years senior level accounting responsibility
- Familiarity with international operations and reporting
- Multilingual skills
- Must be able to work in the EC legally

This important position offers a competitive salary/benefits package. Qualified applicants are invited to Fax CV to: (Paris) 33-1-49-06-07-15. Att: Mr. J.L. Pourny, Tour Neptune, Cedex 20, 92086, Paris la Defense

VIATEL

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The ideal candidate will be fluent in French, capable of working on their own initiative, fully computer literate and possess a high level of energy, drive and commitment.

Salary will be commensurate with qualifications and experience and the package will include the cost of accommodation and living allowance.

If your interested please submit your full CV and salary information to:

Norman Allport & Co.,
P.O. Box 781,
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